



**NAV KAR**  
**BUILDERS LIMITED**

30<sup>th</sup> November, 2020

To,  
The Department of Corporate Services  
BSE Limited  
Ground Floor, P. J. Tower  
Dalal Street,  
Mumbai – 400 001

**Ref: Scrip Code: 531494**

Dear Sir/Madam,

**Sub: Submission of Annual Report for FY 2019-2020**

With reference to above, please find copy of Annual Report for Financial Year 2019-2020 in compliance in with Regulation 34 of SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015.

Kindly take the same on your records and acknowledge the receipt thereof.

Thanking You,

For Navkar Builders Limited

  
  
Harsh Shah  
Managing Director  
DIN: 01662085

Encl.: As above



NAV<sup>TM</sup>KAR  
BUILDERS LIMITED

**ANNUAL REPORT**

**2019-2020**

## **Board of Directors**

Mr. Harsh Shah	Chairman & Managing Director
Mr. Harsh Rukhana	Director
Ms. Pinki Nirmal Sagar	Director
Mr. Sarjeevan Singh	Director
Ms. Bhoomi Shaival Shah	Director
Mr. Nileshkumar Patel	Director

## **Auditors**

M/s. S. V. Agrawal & Co.,  
Chartered Accountants  
Ahmedabad

## **Registered Office**

304, Circle P, near Prahlad Nagar,  
S.G. Highway, Ahmedabad – 380051  
Email Id: [navkarbuilders@yahoo.co.in](mailto:navkarbuilders@yahoo.co.in)  
Website: [www.navkarbuilders.com](http://www.navkarbuilders.com)

**NOTICE FOR ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Navkar Builders Limited will be held on Monday, 28<sup>th</sup> December, 2020 at 12:00 Noon at 304, Circle P, Near Prahlad Nagar, S.G. Highway, Ahmedabad - 380051, Gujarat, India and also through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:-

**ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Pinki Nirmal Sagar (DIN: 08113318) who retires by rotation and being eligible offers herself for reappointment.

**By Order of the Board of Directors  
For Navkar Builders Limited**

**Place: Ahmedabad  
Date: 28/11/2020**

**Sd/-  
Harsh Shah  
Managing Director  
DIN: 01662085**

**Notes:**

1. The Company's Statutory Auditors, M/s. S. V. Agrawal & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting ("AGM") of the Members held on September 26<sup>th</sup>, 2019 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on September 26<sup>th</sup>, 2019. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

2. In view of the continuing Covid-19 pandemic in the country, social distancing norms to be followed and continuing restriction on movement of persons at several places, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars"), directed that companies shall hold the Annual General Meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") and accordingly, in compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, Annual General Meeting of the members of the Company (AGM) will be held at the registered office of the company and also through VC/OAVM (hereinafter referred to as "AGM").

3. Further, in compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members whose mail id is not registered with depository participant or Company are requested to register their mail id. Members may note that the Notice and Annual Report 2019-20 will also be available on the company's website [www.navkarbuilders.com](http://www.navkarbuilders.com), websites of the Stock Exchanges i.e., BSE Limited [www.bseindia.com](http://www.bseindia.com), and also on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).

4. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.

5. The Share Transfer Books & the Register of Members shall remain closed from Tuesday, 22<sup>nd</sup> December, 2020 to Monday, 28<sup>th</sup> December, 2020 (Both days inclusive).

6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [navkarbuilders@yahoo.co.in](mailto:navkarbuilders@yahoo.co.in)

7. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through physically and VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Forms are not annexed to this Notice. However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

8. Members holding shares in physical mode desirous of making nomination are advised to submit Nomination Form (SH-13) to RTA or to the Company in respect of their shareholding in the Company and those Members holding shares in electronic mode may contact their respective DPs for availing the nomination facility as provided under Section 72 of the Act.

9. Pursuant Regulation 40 of SEBI Listing Regulations, as amended securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members are requested to send correspondence concerning shares related matter to Company's Registrars MCS Share Transfer Agent Ltd, Ahmedabad.

10. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through physically and VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email from its registered email address to [roopalcs2001p@gmail.com](mailto:roopalcs2001p@gmail.com). with a copy marked to [navkarbuilders@yahoo.co.in](mailto:navkarbuilders@yahoo.co.in)

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank account details such as, name of the bank and branch, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's RTA- MCS Share Transfer Agent Limited., 201, Shatdal Complex, 2nd Floor, Ashram Road, Ahmedabad - 380009 (Tel no. 079-26580461,0462,0463) (email id: [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com)) in case the shares are held by them in physical form.

12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Bank or Register of Beneficial holders as made available by the depositories, will be entitled to vote at the AGM.

13. Members desiring any information with regard to the annual accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 24<sup>th</sup> December, 2020 through email on [navkarbuilders@yahoo.co.in](mailto:navkarbuilders@yahoo.co.in).

14. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

15. The Route Map is annexed in this Notice.

### **Instructions for remote e-voting**

a) The ID and password will be sending through mail to members of the Company.

b) Instruction of e -voting are as follows.

(i) The voting period begins on 25<sup>th</sup> December, 2020 at 09:00 A.M. and ends on 27<sup>th</sup>December, 2020 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:



	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e- voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Navkar Builders Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies

that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL’s mobile app m- Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

A. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21<sup>st</sup> December, 2020.

B. A copy of this notice has been/ shall be placed on the website of the Company and the website of CDSL.

C. Ms. Rupal Patel, Practicing Company Secretary (Membership No. FCS 6275) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

D. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.

E. In terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent through e-mail in writing to Mrs. Rupal Patel, Scrutinizer, E-mail: [roopalcs2001p@gmail.com](mailto:roopalcs2001p@gmail.com) so as to reach her on or before 27<sup>th</sup> December, 2020 by 5.00 p.m. Any email received after the said date and time shall be treated as if the reply from the Members has not been received.

F. The members who have casted their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

G. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.navkarbuilders.com](http://www.navkarbuilders.com) within 48 (Forty Eight) hours of conclusion of the annual general meeting and will be communicated to BSE Limited, who are required to place them on their website. The same shall also be placed on the website of CDSL.

### **Instructions for attending Annual General Meeting virtually**

In light of the current Covid-19 situation, the AGM will be held by also through electronic means. Those Members who are not be able to attend the AGM in person, they can attend the AGM through Zoom application which can be downloaded and followed as under:

1. Open your computer's internet browser and navigate to the Zoom website at Zoom.us. Or go to google play store/ Apple store and download zoom application to your mobile
2. Scroll down to the bottom of the page and click "Download" in the web page's footer. Click "Download" at the bottom of the page.
3. Click "Download" under "Zoom Client for Meetings."
4. The Zoom app will then begin downloading. You should then click on the .exe file to begin the installation process.
5. Once installed, you will need to log into your Zoom account with Login ID / password, Login Id will be send separately.

In case of any technical issues, clarifications, members can call the Company at 079-48484095.

### **-: Important:-**

\*Before login to Zoom Application, email id registration of shareholder is compulsory to attend the AGM.

\*\*If you have any query/suggestions then click on Raise Hand Button then after admin will un-mute you.

\*\*Always start your Video, without video you will not liable to attend the AGM.



\*\*\*To Start Audio, Below Instructions are to be followed from your side:-

Click on > Setting Button > Meeting > Auto-Connect to Audio > Call over Internet.

**By Order of the Board of Directors  
For Navkar Builders Limited**

**Place : Ahmedabad**

**Date : 28/11/2020**

**Sd/-  
Harsh Shah  
Managing Director  
DIN: 01662085**

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF  
THE COMPANIES ACT, 2013**

**Item No. 2**

**Details of Director seeking reappointment at Annual General Meeting:**

Name	Ms. Pinki Nirmal Sagar (DIN: 08113318)
Date of Birth	02/03/1969
Directorship in other Public Limited Companies	Nil
Membership of Committees of other Public	Nil
Director of Company since	18/04/2018
No. of Shares Held	1,87,500

**By Order of the Board of Directors  
For Navkar Builders Limited**

**Place: Ahmedabad  
Date: 28/11/2020**

**Sd/-  
Harsh Shah  
Managing Director  
DIN: 01662085**

## DIRECTORS' REPORT

To  
The Members,  
Navkar Builders Limited

Your directors have pleasure in presenting their 28<sup>th</sup> Annual Report on the business and operations of the Company together with its Audited Accounts for the year ended 31<sup>st</sup> March, 2020. The Management Discussion and Analysis is also included in this Report.

### 1. FINANCIAL RESULTS:

The highlights of the financial results of the Company for the financial year ended March 31, 2020 are as under:

(Rs. In Lacs)

Particulars	Year Ended on 31.03.2020	Year Ended on 31.03.2019
Gross Sales/Income	4584.20	15562.24
Depreciation	12.60	87.79
Profit/(Loss) before Tax	94.93	786.18
Taxes/Deferred Taxes	55.94	230.28
Profit/(Loss) After Taxes	38.99	555.90
P& L Balance b/f	1765.96	1257.78
Proposed Dividend	-	19.88
Dividend Distribution Tax	-	3.98
Impairment in Property, Plant, Equipment	-	-
Sheet Profit/ (Loss) carried to Balance	1804.96	1765.96

### 2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR:

During the year under review the total income was Rs. 4584.20 Lacs as compared to Rs. 15562.24 Lacs of that of the previous Year. The Company has provided Rs. 12.60 Lacs for depreciation. After making all necessary provisions for current year and after taking into account the current year net profit and total provisions for taxation, the surplus carried to Balance Sheet is Rs. 38,99,686/-.

### 3. CHANGE IN THE NATURE OF BUSINESS:

The Company is engaged in the Business of Infrastructure Activity including providing and supplying Ready Mix Concrete and RCC Pipes. The Company is also expanding its commercial activities by actively participating in to various Government Tenders.

There was no change in the nature of the business of the Company during the year under review.

**4. FINANCE:**

The Company has borrowed loan from Bank during the year under review.

**5. SHARE CAPITAL:**

The paid up Equity Share Capital as on March 31, 2020 was Rs. 19,88,38,000.

During the year the Company has forfeited 4,29,500 convertible warrants due to expiry of time period and forfeited amount received on warrants.

**A) Issue of equity shares with differential rights:**

During the year under review, the Company has not issued any shares with differential voting rights.

**B) Issue of sweat equity shares:**

During the year under review, the Company has not issued any sweat equity shares.

**C) Issue of employee stock options:**

During the year under review, the Company has not issued any employee stock options.

**D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:**

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

**6. DIVIDEND:**

However, in view of future expansion, your directors express their inability to recommend a dividend on Equity Shares of the Company for the year under review.

**7. REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**



The Company has one Associate Company named as Navkar Fiscal Services Private Limited.

Financial Details of Navkar Fiscal Services Private Limited is as under.

<b>Particulars</b>	<b>Year Ended on 31.03.2020 (Rs. in lacs)</b>	<b>Year Ended on 31.03.2019 (Rs. in lacs)</b>
Gross Sales/Income	5.81	0.00
Less Depreciation	0.00	0.00
Profit/(Loss) before Tax	5.72	(0.08)
Taxes/Deferred Taxes	0.00	0.00
Profit/(Loss) After Taxes	5.72	(0.08)
P& L Balance b/f	17.10	17.17
Profit/ (Loss) carried to Balance Sheet	5.72	17.10

The Company is engaged in the Business of Real Estate and Construction Consultancy.

## 8. DIRECTORS AND KMP:

### a) Key Managerial Personnel:

The following are the Key Managerial Personnel of the Company.

Mr. Harsh Shah	Chairman and Managing Director
Ms. Pinki Sagar	Chief Financial Officer
Mr. Raj Shah	Company Secretary

### b) Changes in Directors and Key Managerial Personnel:

Ms. Pinki Nirmal Sagar (DIN: 08113318), retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer herself for reappointment.

During the year, the following changes occurred in the Composition of Board Directors due to Appointments and Resignations of several Directors and KMP:

Name and Designation	Date of Appointment	Date of Resignation
Ms. Pinki Sagar CFO - Executive Director	13/04/2019	-
Mr. Saurabh Jayswal Company Secretary	12/07/2019	18/10/2019
Ms. Bhoomi Shaival Shah Independent Director	03/08/2019	-
Ms. Ripal Dave Executive Director	-	03/08/2019
Mr. Harsh Jitendrabhai Shah Executive Director	14/11/2019	-
Mr. Raj Shah Company Secretary	07/12/2019	-
Mr. Dakshesh Shah Chairman and Managing Director	-	01/02/2020

**c) Declaration by an Independent Director(s) and reappointment, if any:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have complied with the Code of Conduct for Independent Directors prescribed in Schedule IV of the Companies Act, 2013 and the Code of conduct formulated by the Company as hosted on the Company's Website i.e. [www.navkarbuilders.com](http://www.navkarbuilders.com).

**9. EXTRACT OF THE ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "**Annexure-A**".

**10. NUMBER OF MEETINGS OF THE BOARD:**

During the year the Board of Directors met thirteen times (13). The details of the board meetings are provided in Corporate Governance Report.

13.04.2019, 30.05.2019, 11.07.2019, 03.08.2019, 14.08.2019, 20.08.2019, 21.08.2019, 14.10.2019, 18.10.2019, 14.11.2019, 07.12.2019, 01.02.2020, 14.02.2020.

One Extra ordinary general meeting was held on 02<sup>nd</sup> March, 2020 for the purpose of to Regularize appointment of Mr. Harsh Shah (DIN: 01662085) as

Director of the Company and to appoint Mr. Harsh Shah (DIN: 01662085) as Managing Director and Chairperson of the Company.

**11. DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors made the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a. That in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. That such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the annual financial statements have been prepared on a going concern basis
- e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. That system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**12. DETAIL OF FRAUD AS PER AUDITORS REPORT:**

There is no fraud in the Company during the Financial Year ended 31st March, 2020. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the financial year ended 31st March, 2020.

**13. BOARD'S COMMENT ON THE AUDITORS' REPORT:**

There were no qualifications, reservations or adverse remarks made by Auditors in their respective reports. Observation made by the Statutory Auditors in their Report are self-explanatory and therefore, do not call for any further comments under section 134(3)(f) of the Companies Act, 2013.

**14. AUDITORS:**

**A. Statutory Auditors:**

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the

Companies (Audit and Auditors) Rules, 2014, made thereunder, the present Statutory Auditors of the Company M/s. S. V. Agrawal & Co., Chartered Accountants, Ahmedabad be and are hereby appointed as Statutory Auditors of the Company from this Annual General Meeting and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the Annual General Meeting which will be held in the year 2024 on such remuneration as may be fixed by the Board of Directors in consultation with them.

The certificate of eligibility under applicable provisions of the Companies Act, 2013 and corresponding Rules framed thereunder was furnished by them towards appointment of a 5 (Five) years term.

**B. Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Rupal Patel, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as “**Annexure -B**”.

**Reply for qualification Remark in Secretarial Audit Report:**

1. Though the Company has not published notice of board meeting for quarterly financial result, the company has uploaded the same on Website of the company and also submitted to BSE Limited also.
2. The company is in process of filling the form IEPF 2 and also in compliance with section 96 read with subsection 2 of section 125 of The Companies Act, 2013.
3. Due to shut down of factory, the regulatory body is not able to provide factory License.
4. The remark as to labor laws and ESIC are self-explanatory and do not require any comment.
5. The Company has taken serious note about non/late-filing of e-forms under Companies Act, 2013 and delay in submission of compliance as mentioned under SEBI (LODR) and committed to comply with the provisions in coming year.
6. The query as to non-opening and non-payment of dividend account, the company has been complied with during the year under review.

**15. TRANSFER TO RESERVES:**

Out of the profits available for appropriation, no amount has been transferred to the General Reserve and the balance amount of Rs. 3,899,686/- has been carried forward to profit & loss account after provision for proposed dividend and dividend distribution tax.

**16. DEPOSITS:**

The Company has not accepted or renewed any deposits during the year. There are no outstanding and overdue deposits as at 31<sup>st</sup>March, 2020.

**17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**18. RELATED PARTY TRANSACTIONS:**

The company has not entered into any contracts or arrangements with related parties during the year under review.

**19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant material orders passed by the Regulators /Courts which would impact the going concern status of the Company and its future operations.

**20. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**21. CORPORATE SOCIAL RESPONSIBILITY:**

The Provision of Section 135 of the Company Act, 2013 are applicable to the company and fall under Category of Rule 9 of the Corporate Responsibility Rules 2014. The Annual Report on CSR Activity is annexed herewith as "Annexure C".

**22. BUSINESS RISK MANAGEMENT:**

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect either / or, value to shareholders, ability of company to achieve objectives, ability to implement

business strategies, the manner in which the company operates and reputation as “Risks”. Further such Risks are categorized in to Strategic Risks, Operating Risks & Regulatory Risks. A detailed exercise is carried out to identify, evaluate, manage and monitoring all the three types of risks.

**23. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year under review, the company retained external audit firm to review its existing internal control system with a view of tighten the same and introduce system of self-certification by all the process owners to ensure that internal controls over all the key business processes are operative. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**24. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has adequate and proper Internal financial controls with reference to the Financial Statements during the year under review.

**25. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

**26. EMPLOYEE RELATIONS:**

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company’s vision and strategy to deliver good performance.

**27. NOMINATION & REMUNERATION POLICY OF THE COMPANY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior

Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report and is also available on the Company's website at [www.navkarbuilders.com](http://www.navkarbuilders.com).

**28. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Company has been proactive in the following principles and practices of good corporate governance. A report in line with the requirements of Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report on Management Discussion and Analysis and the Corporate Governance practices followed by the Company and the Auditors Certificate on Compliance of mandatory requirements are given as an "Annexure D & E" respectively to this report.

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

As per 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, the Corporate Governance Report, Management Discussion and Analysis and the Auditor's Certificate regarding compliance of conditions of Corporate Governance are attached separately and form part of the Annual Report.

**29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure - F".

**30. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

During the Financial Year 2019-20 there were no Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

**31. PARTICULARS OF EMPLOYEES:**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as “Annexure- G” to the Board’s report.

None of the employees of the Company drew remuneration of Rs.1,02,00,000/- or more per annum and Rs.8,50,000/- or more per month during the year. No employee was in receipt of remuneration during the year or part thereof which, in the aggregate, at a rate which is in excess of the remuneration drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. Hence, no information is required to be furnished as required under Rule, 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**32. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2019-20, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31<sup>st</sup> March, 2020.

**33. TRANSFER OF TRANSFER OF UN-CLAIMED DIVIDENDS:**

The Company does not have any funds lying as unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**34. SECRETARIAL STANDARDS:**

The Directors State that applicable Secretarial Standards - 1,2,3 and 4 issued by the Institute of Company secretaries of India relating to ‘Meetings of the Board of Directors’ and General Meetings’, ‘Payment of Dividend’ and ‘Report of the Board of Directors’ respectively, have been duly followed by the Company.



**35. ACKNOWLEDGMENT:**

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

**By Order of the Board of Directors  
For Navkar Builders Limited**

**Date: 28/11/2020  
Place: Ahmedabad**

**Sd/-  
Harsh Shah  
Managing Director  
(DIN: 01662085)**

**Sd/-  
Pinki Sagar  
Director & CFO  
(DIN: 08113318)**

FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L45200GJ1992PLC017761
2.	Registration Date	02/06/1992
3.	Name of the Company	Navkar Builders Limited
4.	Category/Sub-category of the Company	Public Company
5.	Address of the Registered office & contact details	<b>Address:</b> 304, Circle P, near Prahlad Nagar, S.G. Highway, Ahmedabad - 380051  <b>Contact No.:</b> 079-48484095 <b>E-mail id:</b> <a href="mailto:navkarbuilders@yahoo.co.in">navkarbuilders@yahoo.co.in</a> <b>Website:</b> <a href="http://www.navkarbuilders.com">www.navkarbuilders.com</a>
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Name:</b> MCS Share Transfer Agent Ltd <b>Add:</b> 1. 383 Lake Gardens, 1st Floor, Kolkata 700045 2. 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009  <b>Contact No.:</b> 033-40724051/52/5 079-2658 2878, 2879, 2880  <b>E-mail id:</b> <a href="mailto:mcssta@rediffmail.com">mcssta@rediffmail.com</a> <a href="mailto:mcsahmd@gmail.com">mcsahmd@gmail.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the company
1	Infrastructure Project Activities including providing and supplying Ready Mix Concrete and RCC Pipes	23955	100%





i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	823873	2547 00	107867 3	5.42	-	-	-	-	-5.42
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	605698 1	1734 00	623038 1	31.33	697002 7	41340 0	7383427	37.14	5.81
c) Others (HUF)	85896	0	85896	0.43	79827	0	79827	0.40	-0.03
Non Resident Indians	852630	0	852630	4.29	853055	0	853055	4.29	0.00
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	<b>124840 00</b>	<b>4291 00</b>	<b>129131 00</b>	<b>64.94</b>	<b>124987 00</b>	<b>41440 0</b>	<b>12913100</b>	<b>64.94</b>	<b>0.00</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>124840 00</b>	<b>4291 00</b>	<b>129131 00</b>	<b>64.94</b>	<b>124987 00</b>	<b>41440 0</b>	<b>12913100</b>	<b>64.94</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>194547 00</b>	<b>4291 00</b>	<b>198838 00</b>	<b>100.0 0</b>	<b>194694 00</b>	<b>41440 0</b>	<b>19883800</b>	<b>100.00</b>	<b>0.00</b>

#### B) Shareholding of Promoter-

S N	Share holder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	% change in shareholding during the year
-----	---------------------	---	-------------------------------------	--

		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	Navkar Fiscal Services Private Limited	5809450	29.22	5809450	29.22	Nil
2	Dakshesh Rameshchandra Shah	1161250	5.84	1161250	5.84	Nil
	<b>Total</b>	<b>6970700</b>	<b>35.06</b>	<b>6970700</b>	<b>35.06</b>	<b>Nil</b>

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Navkar Fiscal Services Private Limited</b>				
	At the beginning of the year	5809450	29.22	5809450	29.22
	Date wise Increase / Decrease in Shareholding during the year	----	---	---	---
	At the end of the year	5809450	29.22	5809450	29.22
2	<b>Dakshesh Rameshchandra Shah</b>				
	At the beginning of the year	1161250	5.84	1161250	5.84
	Date wise Increase / Decrease in Shareholding during the year	-----	-----	-----	-----
	At the end of the year	1161250	<b>5.84</b>	1161250	<b>5.84</b>

**D) Shareholding Pattern of top ten Shareholders\*:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top 10 Shareholders	No. of shares	% of total shares of the company	Increase/ Decrease in shareholding pattern	Cumulative shares during the year	% of Total Shares of The Company During The Year
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1	Efficient Tie-Up Private Limited	3925000	19.74	No change	19.74
2	Yogesh Biharilal Parikh	925000	4.65	No change	4.65
3	Renuka Yogesh Parikh	852400	4.29	No change	4.29
4	Shitalnath Consultant Private Limited	438300	2.20	No change	2.20
5	Shivani Ketan Rukhana	384000	1.93	No change	1.93
6	Vini Harsh Rukhana	384000	1.93	No change	1.93
7	Harsh Ketan Rukhana	384000	1.93	No change	1.93
8	Harsha K. Rukhana	384000	1.93	No change	1.93
9	Ketan J. Rukhana	384000	1.93	No change	1.93
10	Renubala Ashokkumar Miglani	325000	1.63	No change	1.63
11	Ashokkumar Hakamchand Miglani	325000	1.63	No change	1.63
12	Ayan Shirishbhai Shah	250994	1.26	No change	1.26

**E) Shareholding of Directors and Key Managerial Personnel:**

S N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Dakshesh Rameshchandra Shah - Managing Director</b>				
	At the beginning of the year	1161250	5.84	1161250	5.84
	Date wise Increase / Decrease \se in Shareholding during the year	----	----	----	----
	At the end of the year	1161250	5.84	1161250	5.84
2	<b>Harsh Shah - Managing Director</b>				
	At the beginning of the year	----	----	----	----
	Date wise Increase / Decrease \	----	----	----	----

	se in Shareholding during the year				
	At the end of the year	-----	-----	-----	-----
<b>3</b>	<b>Harsh Ketan Rukhana-Director</b>				
	At the beginning of the year	384000	<b>1.93</b>	384000	<b>1.93</b>
	Date wise Increase / Decrease\se in Shareholding during the year	-----	-----	-----	-----
	At the end of the year	384000	<b>1.93</b>	384000	<b>1.93</b>
<b>4</b>	<b>Pinki Nirmal Sagar - CFO</b>	187500	<b>0.94</b>	187500	<b>0.94</b>
	At the beginning of the year	187500	<b>0.94</b>	187500	<b>0.94</b>
	Date wise Increase / Decrease\se in Shareholding during the year	-----	-----	-----	-----
	At the end of the year	187500	<b>0.94</b>	187500	<b>0.94</b>
<b>5</b>	<b>Raj Shah - Company Secretary</b>				
	At the beginning of the year	-----	-----	-----	-----
	Date wise Increase / Decrease\se in Shareholding during the year	-----	-----	-----	-----
	At the end of the year	-----	-----	-----	-----

#### F) INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amt. in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	9,05,56,599	90,17,000	0	9,95,73,599
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>9,05,56,599</b>	<b>90,17,000</b>	<b>0</b>	<b>9,95,73,599</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	40,57,37,301	0	0	40,57,37,301
* Reduction	38,09,01,553	0	0	38,09,01,553
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>	<b>11,53,92,347</b>	<b>90,17,000</b>	<b>0</b>	<b>12,44,09,347</b>
i) Principal Amount	11,53,92,347	90,17,000	0	12,44,09,347
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1,15,392,347</b>	<b>90,17,000</b>	<b>0</b>	<b>12,44,09,347</b>



**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amt. in Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Dakshesh Shah-MD@	Harsh Shah - MD\$	
1	<b>Gross salary</b>	21,60,000	3,36,000	24,96,000
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	Nil	Nil	Nil
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	Nil	Nil	Nil
	<b>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961</b>	Nil	Nil	Nil
2	<b>Stock Option</b>	Nil	Nil	Nil
3	<b>Sweat Equity</b>	Nil	Nil	Nil
4	<b>Commission - as % of profit - others, specify...</b>	Nil	Nil	Nil
5	<b>Others, please specify</b>	Nil	Nil	Nil
	<b>Total (A)</b>	<b>21,60,000</b>	<b>3,36,000</b>	<b>24,96,000</b>
	<b>Ceiling as per the Act*</b>			

@ Resigned as on 01.02.2020

\$ Appointed as Managing Director on 01.02.2020

\* The company is paying remuneration to its' Executive Directors in line with the provisions of Section 197 read with Schedule V(Part II of Section II) of the Companies Act, 2013 by way of passing Special resolution in the Extra Ordinary General Meeting of the company.

**B. Remuneration to other directors:**

S.N.	Particulars of Remuneration	Name of Directors			Total Amount
		<b>SARJEEVAN SINGH</b>	<b>NILESHKUMAR PATEL</b>	<b>BHOOMI SHAIVAL SHAH</b>	
1	<b>Independent Directors</b>	Nil	Nil	Nil	Nil
	<b>Fee for attending board committee meetings</b>	Nil	Nil	Nil	Nil
	<b>Commission</b>	Nil	Nil	Nil	Nil
	<b>Others, please specify</b>	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

2	<b>Other Non-Executive Directors</b>	Nil	Nil	Nil	Nil
	<b>Fee for attending board committee meetings</b>	Nil	Nil	Nil	Nil
	<b>Commission</b>	Nil	Nil	Nil	Nil
	<b>Others, please specify</b>	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	Nil	Nil	Nil	Nil
	<b>Total Managerial Remuneration</b>	Nil	Nil	Nil	Nil

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S.N.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Ripal Dave <sup>@</sup>	CS Raj Shah <sup>*</sup>	CFO Pinki Sagar <sup>\$</sup>	Total
1	<b>Gross salary</b>				
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	Nil	1,10,250	Nil	Nil
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	Nil	Nil	Nil	Nil
	<b>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</b>	Nil	Nil	Nil	Nil
2	<b>Stock Option</b>	Nil	Nil	Nil	Nil
3	<b>Sweat Equity</b>	Nil	Nil	Nil	Nil
4	<b>Commission</b>	Nil	Nil	Nil	Nil
	<b>- as % of profit</b>	Nil	Nil	Nil	Nil
	<b>others, specify...</b>	Nil	Nil	Nil	Nil
5	<b>Others, please specify</b>	Nil	Nil	Nil	Nil
	<b>Total</b>	Nil	1,10,250	Nil	Nil

@ Resigned as on 13.04.2019

\* Appointed as on 07.12.2020

\$ Appointed as on 13.04.2019

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					

Penalty					
Punishment	Nil				
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment	Nil				
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment	Nil				
Compounding					

**By Order of the Board of Directors  
For Navkar Builders Limited**

Date: 28/11/2020  
Place: Ahmedabad

Sd/-  
**Harsh Shah**  
Managing Director  
(DIN: 01662085)

Sd/-  
**Pinki Sagar**  
Director & CFO  
(DIN: 08113318)

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**Navkar Builders Limited (CIN: L45200GJ1992PLC017761)**  
304, Circle P, Near Prahlad Nagar, S.G. Highway,  
Ahmedabad - 380051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Navkar Builders Limited**. (hereinafter called "the company") for the audit period covering the financial year ended on 31<sup>st</sup> March, 2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of company's books, papers, minutes book, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956, to the extent it is applicable.
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015

We have also examined compliance of the following to the extent applicable:

- (i). Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 1st July, 2015); under the provisions of Companies Act, 2013;

We have relied upon the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company, as identified and confirmed by the management of the company and listed in **Annexure -I** to this report.

On the basis of our examination and representation made by the Company we report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above and there are no material non-compliances that have come to our knowledge except non-compliance in respect of:

- a) The Company has not published notice of quarterly meeting of board of directors where financial results shall be discussed and financial results, as required under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended on 31<sup>st</sup> March, 2019, 30<sup>th</sup> June, 2019 and 30<sup>th</sup> September, 2019.
- b) The Company has not filed form IEPF 2, for unclaimed dividend as per provisions of section 96 read with sub-section 2 of section 125 of The

Companies Act, 2013 for uploading of information regarding unpaid and unclaimed amounts lying with companies for Financial Year 2016-17, 2017-18 and 2018-19.

- c) The Company has not filed e-form MGT-14 for appointment of internal auditor.
- d) Since the company's factory has been closed, the Company has not obtained the factory license.
- e) The Company has produced proof of payment of provident fund, Employee State Insurance Corporation, and online wage registers while conducting Secretarial Audit.
- f) During the year under review, the company has not filed return under respective states' Workman Compensation Act. We have relied upon the confirmation of the Company stating that the entire project is assigned to other agencies/sub-contractor on "sub-letting" concept.
- g) The Company has not filed DPT-3 during the year under review.
- h) Regulation 12 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: The Company has not opened their dividend account for dividend declared in FY 2017-18 and 2018-19 during the year under review. Respective Dividend accounts have been opened in FY 2019-20.
- i) Regulation 33(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Delay in submission of Limited Review Report have been noticed during the year under review.
- j) Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: The Board of directors of the Company does not have an optimum combination of executive and non-executive directors in the quarter ended on June 2019. However, the company has appointed Ms. Bhoomi Shah as an independent director on 03.08.2019 and then after, the company is in compliance with Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- k) Corporate Governance Report submitted to BSE Limited for quarter ended on 30<sup>th</sup> September, 2019 was not signed by Compliance officer of the Company as required under Regulation 27(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- l) Late submission of intimation of Board Meeting in May, 2019. The Company is in violation of submission of intimation of the Board Meeting, in which financial results of the Company were adopted at least five days in advance as required under Regulation 29(2), 29(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- m) Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Equity Listing Agreement and Rules, Bye-laws and Regulations of the Exchange: The Company has not paid Annual listing fee before 30<sup>th</sup> April, 2019.

We Further Report that, there were no actions/ events in pursuance of:

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28<sup>th</sup> October 2014

requiring compliance thereof by the Company during the period under review.

**We further report that** the compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of account has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professional .

**We further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally with proper length in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific events / actions having a major bearing on the company's affairs.

**Date: 28/11/2020**  
**Place: Ahmedabad**

**Signature: Sd/-**  
**Name of Practicing Company Secretary: Rupal Patel**  
**C. P. No.: 3803**  
**FCS No.: 6275**  
**UDIN: F006275B001353621**

**Note: This report is to be read with our letter of even date which is annexed as ANNEXURE-II and forms an integral part of this report.**

#### **ANNEXURE- I**

##### **List of applicable laws to the Company**

1. The Company has complied with the laws and regulations applicable specifically to the Company for its business belongs to construction and development of infrastructure projects (including provision of Ready mix concrete and Reinforced Cement Concrete Pipes):
  1. Factory Act, 1948
  2. The Workmen's Compensation Act, 1923
  3. The Employees' State Insurance Act, 1948
  4. The Motor Transport Workers Act, 1961 & Rules, 1964
  5. Motor Vehicles Act, 1988
  6. Motor Vehicles (Central) Rules, 1989
  7. Bombay Shops and Establishment Act, 1948As amended from time to time till date.
2. All General Laws such Direct and Indirect Taxation related, Labour Laws and other incidental laws of respective States;

**Date: 28/11/2020**  
**Place: Ahmedabad**

**Signature: Sd/-**  
**Name of Practicing Company Secretary: Rupal Patel**  
**C. P. No.: 3803**  
**FCS No.: 6275**  
**UDIN: F006275B001353621**



## Annexure II

To,  
The Members,  
**Navkar Builders Limited (CIN: L15400GJ1981PLC004170)**  
304, Circle P, near Prahlad Nagar, S.G. Highway,  
Ahmedabad - 380051

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date: 28/11/2020**  
**Place: Ahmedabad**

**Signature: Sd/-**  
**Name of Practicing Company Secretary: Rupal Patel**  
**C. P. No.: 3803**  
**FCS No.: 6275**  
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## Annexure II

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The Members,  
**Navkar Builders Limited (CIN: L15400GJ1981PLC004170)**  
304, Circle P, near Prahlad Nagar, S.G. Highway,  
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4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date: 28/11/2020**  
**Place: Ahmedabad**

**Signature: Sd/-**  
**Name of Practicing Company Secretary: Rupal Patel**  
**C. P. No.: 3803**  
**FCS No.: 6275**  
**UDIN: F006275B001353621**

Annual Report on CSR Activity

**1. A Brief outline of company's CSR policy:**

The Corporate Social Responsibility (CSR) Policy of Navkar Builders Limited has been developed in accordance with the Section 135 of Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rule, 2014 (here by collectively referred to as the Act) notified by the Ministry of Corporate Affairs, Government of India.

The CSR Vision of the Company is to build relationship of trust with Local communities, Society and Stakeholder as good corporate citizen and to contribute to developing a sustainable society for future generations.

The CSR Policy, formulated in alignment with the vision of the company, lay down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects/Programs.

**2. The Composition of the Committee as at 31<sup>st</sup> March 2020 and the details of Members participation at the Meetings of the Committee are as under:**

The Corporate Social Responsibility Committee has been formed as on 14.10.2019 comprising of 4 Members out of which 3 Non-Executive Independent Director and 1 Executive Directors. Mr. Nileshkumar Patel, Non-Executive Director has been appointed as a Chairman of the Committee.

During the year, 1 Committee Meetings were held on January 06, 2020. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Nileshkumar Patel	Chairman	1	1
2	Sarjeevan Singh	Member	1	1
3	Dakshesh shah*	Member	1	1
4	Harsh Shah*	Member	0	0
5	Bhoomi Shah	Member	1	1

\* Mr. Harsh Shah was appointed as a member of the Committee in place of Mr. Dakshesh Shah w.e.f. 01.02.2020.

### 3. Average Net Profit of the company for the last three financial years:

The average net profit for the company in financial year calculated as per the section 198 of the Act read with the companies (CSR) Rules thereof (average net profit) accrued during the three immediately preceding Financial year to Rs. 2,83,01,643.

Financial Year	Net Profit for Computation of CSR
2018-19	7,86,17,406
2017-18	45,53,700
2016-17	17,33,823
<b>Total</b>	<b>8,49,04,929</b>
<b>Three year Average Net Profit</b>	<b>2,83,01,643</b>

### 4. Prescribe CSR Expenditure (Two percentage of amount in item 6.3 above):

The Prescribe CSR Expenditure (Two percentage of Average net Profit) amount to Rs. 5,66,032.

### 5. Details of CSR amount spent during the Financial Year:

NIL

### 6. In Case the Company has failed to spend the two per cent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. The Company is making efforts to identify the projects for spending the unspent funds and all the unspent CSR funds of current year is carried forward for spending on CSR activities in next year.

### 7. Responsibility Statement of the CSR Committee:

The implementation and monitoring of CSR policy by the Company is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Board of Directors**

**Sd/-**

**Harsh Shah**

**Managing Director**

**(DIN: 01662085)**

**Sd/-**

**Nileshkumar Patel**

**Director (Chairperson of CSR Committee)**

**(DIN: 08316887)**

**Corporate Governance Report**

In Accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) (the 'Listing Regulations') with BSE Limited the Report Containing the Details of Corporate Governance Systems and Processes at Navkar Builders Limited for Financial Year ended 31st March, 2020 is as follows:

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

The Navkar Builders Limited is committed to good Corporate Governance in order to all stakeholders – Customers, suppliers, lenders, employees, the shareholders. The detailed report on implementation by the company of the Corporate Governance Code as incorporated in Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out below.

**2. BOARD OF DIRECTORS:**

**2.1 Composition of the Board:**

The Board of Directors as at 31<sup>st</sup> March, 2020 comprises of Six directors including of three Executive and three Non-Executive Directors. Mr. Harsh Shah is the Chairman & Managing Director of the Company and he conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors. The independent directors on the Board are senior, competent and highly respected persons from their receptive fields. The following is the Composition of the Board as at 31<sup>st</sup> March, 2020:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Category</b>	<b>No. of Directorship(s) held in Indian</b>	<b>Committee(s) position (Including this company)</b>
----------------	-------------------------	-----------------	--	---

			public & private Limited Companies	Member	Chairman
1	Mr. Harsh Shah	Chairman Managing Director - Executive	1	4	Nil
2	Mr. Harsh Rukhana	Executive Director (Non-Independent)	5	Nil	Nil
3	Ms. Pinki Nirmal Sagar	Executive Director (Non-Independent)	Nil	Nil	Nil
4	Mr. Sarjeevan Singh	Non-Executive Director (Independent)	Nil	4	Nil
5	Ms. Bhoomi Shah	Non-Executive Director (Independent)	Nil	4	Nil
6	Mr. Nileshkumar Patel	Non-Executive Director (Independent)	2	7	4

**2.2 The Board has identified the following skills/expertise/competencies with reference to its Business for the effective functioning of the Company and which are currently available with the Board:**

Name of the Director	Skills/Expertise/Competencies
Mr. Harsh Shah	Finance, Marketing, Management
Mr. Harsh Rukhana	Marketing and project in construction line
Ms. Pinki Nirmal Sagar	Administration and co-ordination
Mr. Sarjeevan Singh	Administration, Reporting and Observation
Ms. Bhoomi Shah	Management
Mr. Nileshkumar Patel	Management

**2.3 Board Agenda:**

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board Member may bring up any matter for consideration of the meeting in consultation

with the Chairman. Agenda papers are generally circulated to the Board Members generally at proper length in advance. In addition, for any business exigencies the resolutions are passed by circulation and later places at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

#### **Invitees & Proceedings:**

The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues.

#### **Support and Role of Compliance Officer:**

The Compliance officer is responsible for convening the Board and Committee meetings, preparation and distribution of agenda and other documents and recording of the minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance to the Board and the Management.

#### **2.4 Meetings and Attendance:**

During the year, the Board of Directors met 13 times on April 13, 2019, May 30, 2019, July 12, 2019, August 03, 2019, August 14, 2019, August 20, 2019, August 21, 2019, October 14, 2019, October 18, 2019, November 14, 2019, December 07, 2019, February 01, 2020 and February 14, 2020. The gap between two Board Meetings was within the maximum time gap prescribed in SEBI (LODR) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Board Meetings held during the period when the Director was on the Board</b>	<b>No. of Meetings Attended</b>	<b>Attendance at the last AGM held on 26/09/2019</b>
1	Mr. Dakshesh Shah <sup>\$</sup>	11	11	Yes
2	Mr. Harsh Shah <sup>*</sup>	03	03	No
3	Ms. Pinki Nirmal Sagar	13	13	Yes
4	Mr. Sarjeevan Singh	13	13	Yes
5	Mr. Harsh Rukhana	13	07	Yes
6	Mr. Nileshkumar Patel	13	13	Yes

7	Ms. Bhoomi Shaival Shah**	09	09	Yes
8	Ms. Ripal Dave***	03	03	No

\$ Resigned as on 01.02.2020

\* Appointed as on 14.11.2019

\*\* Appointed on 03.08.2019

\*\*\*Resigned as on 03.08.2019

## 2.5 Independent Directors:

Independent Directors play an important role in the governance processes of the Board. They bring to bear their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making process.

None of the Independent Directors serves as “Independent Directors” in more than seven listed companies.

The Board of Directors have confirmed that the Independent Directors fulfill the conditions specified under SEBI (LODR) Regulations, 2015 and are independent of the management.

During the year under review, the Independent Directors met on March 15, 2019, interalia:

- To review the performance of the Non-Independent Directors (Executive Directors);
- To review the performance of the Board of the Company as a whole;
- To review the performance of Chairman of the Company taking into account the views of Executive Directors on the same;
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

They expressed satisfaction at the robustness of the evaluation process, the Board’s freedom to express views on the business transacted at the Meetings and the openness with which the Management discussed various subject matters on the agenda of meetings.

## 2.6 Disclosure of relationships between the Directors inter-se:

There is no relationship between the Directors inter-se.



## **2.7 Number of shares and convertible instruments held by Non-Executive Directors:**

- None of the Non Executive Directors of the Company held shares of the Company.
- During the year under review, the Company has not issued any Convertible Instruments.

## **2.8 Familiarisation Programme for Independent Director:**

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarization program. The Programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The details of familiarisation program imparted to Independent Directors is also posted on the Company's Website at <https://www.navkarbuilders.com/info.html>.

## **2.9 Code of Conduct for Directors and Senior Management Personnel:**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

## **2.10 Prohibition of Insider Trading Code:**

During the year, the Company has amended the Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and also formulated Policy on procedures to be followed while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The amended codes viz. "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Designated Persons,

while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

### **2.11 Committees of the Board:**

The Board of Directors has constituted 4 Committees of the Board viz.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

### **3. AUDIT COMMITTEE:**

The Audit Committee of the Company comprises of 4 members out of which 3 members are Non-Executive Independent Directors. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management. Mr. Nileshkumar Patel, Non-Executive Independent Director is a Chairman of the Committee.

#### **3.1 Terms of reference of the committee inter alia, include the following:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Audit Committee shall mandatorily review the following information:**

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchanges in terms of sub-regulation (1) of Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of sub-Regulation (7) of Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015."

**3.2 The Composition of the Committee as at 31<sup>st</sup> March 2020 and the details of Members participation at the Meetings of the Committee are as under:**

During the year, 5 Audit Committee Meetings were held on May 30, 2019, July 14, 2019, September 26, 2019, November 14, 2019 and February 14, 2020. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Nileshkumar Patel	Chairman	5	5
2	Sarjeevan Singh	Member	5	5
3	Dakshesh shah <sup>§</sup>	Member	4	4
4	Harsh Shah <sup>§</sup>	Member	1	1
5	Bhoomi Shah <sup>@</sup>	Member	3	3

<sup>@</sup> Ms. Bhoomi Shah was appointed as a member of the Committee w.e.f. 26.09.2019

<sup>§</sup> Mr. Harsh Shah was appointed as a member of the Committee in place of Mr. Dakshesh Shah w.e.f. 01.02.2020

The representatives of Internal and Statutory Auditors are invitees to Audit Committee meetings.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of the company comprises of 4 members out of which 3 members are Non-Executive Independent Directors. Mr.

Nileshkumar Patel, Non-Executive Independent Director is a Chairman of the Committee.

During the year, 6 committee meetings were held during the year on August 03, 2019, September 26, 2019, October 18, 2019, November 14, 2019, December 07, 2019 and February 01, 2020. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Nileshkumar Patel	Chairman	6	6
2	Sarjeevan Singh	Member	6	6
3	Dakshesh shah <sup>§</sup>	Member	5	5
4	Harsh Shah <sup>§</sup>	Member	1	1
5	Bhoomi Shah <sup>@</sup>	Member	5	5

<sup>@</sup> Ms. Bhoomi Shah was appointed as a member of the Committee w.e.f. 26.09.2019

<sup>§</sup> Mr. Harsh Shah was appointed as a member of the Committee in place of Mr. Dakshesh Shah w.e.f. 01.02.2020

#### **4.1 The terms of reference of the Committee inter alia, include the following:**

##### **Nomination of Directors / Key Managerial Personnel / Senior Management\***

- To evaluate and recommend the composition of the Board of Directors;
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
- To consider and recommend to the Board, appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
- Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
- To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- To review HR Policies and Initiatives.

##### **Remuneration of Directors / Key Managerial Personnel / Senior Management\*/ other Employees**

1. Evolve the principles, criteria and basis of Remuneration Policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, senior management and other employees of the Company and to review the same from time to time;
2. The Committee shall, while formulating the policy, ensure the following:
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

\*Senior Management for the above purpose shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and comprising all members of management one level below the Chief Executive Officer/Managing Director/Whole time Director/Manager and shall specifically include Company Secretary and Chief Financial Officer.

#### **4.2 Evaluation of the Board's Performance:**

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

#### **4.3 Remuneration of Directors:**

Remuneration of Managing Director is recommended by the Nomination and

Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company.

The remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders in General Meeting.

No seating fees have been paid to any Non-Executive Directors.

Details of remuneration to all Directors for the Financial Year 2019-20 are as under:

Sr. No.	Name of Director	Salary (₹)	Perquisites & Allowances (₹)	Retirement & Leave Benefits (₹)	Sitting Fees	Commission/ Bonus (₹)	Stock Option
1.	Mr. Dakshesh Shah <sup>§</sup>	21,60,000	-	-	-	-	-
2.	Mr. Harsh Shah <sup>*</sup>	3,36,000	-	-	-	-	-
3.	Mr. Harsh Rukhana	-	-	-	-	-	-
4.	Ms. Pinki Nirmal Sagar <sup>#</sup>	-	-	-	-	-	-
5.	Mr. Sarjeevan Singh	-	-	-	-	-	-
6.	Ms. Ripal Snehan Dave <sup>\$\$</sup>	-	-	-	-	-	-
7.	Mr. Nileshkumar Patel	-	-	-	-	-	-
8.	Bhoomi shah <sup>**</sup>	-	-	-	-	-	-

<sup>§</sup> Resigned as on 01.02.2020

<sup>\*</sup> Appointed as on 14.11.2019

<sup>#</sup> Appointed as on 13.04.2019

<sup>\$\$</sup> Resigned as on 03.08.2019

<sup>\*\*</sup> Appointed as on 03.08.2019

None of the Directors of the company / Key managerial Personnel had any pecuniary relationship with the Company during the year.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The Company has not issued any stock option during the year under review.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee has 4 Members comprising of 3 Non-Executive Independent Director and 1 Executive Directors. Mr. Nileshkumar Patel, Non-Executive Director has been appointed as a Chairman of the Committee.

### 5.1 The Composition of the Committee as at 31<sup>st</sup> March 2020 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 6 Committee Meetings were held on April 11, 2019, May 20, 2019, July 11, 2019, September 26, 2019, October 05, 2019 and January 06, 2020. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Nileshkumar Patel	Chairman	6	6
2	Sarjeevan Singh	Member	6	6
3	Dakshesh shah <sup>\$</sup>	Member	5	5
4	Harsh Shah <sup>\$</sup>	Member	1	1
5	Bhoomi Shah <sup>@</sup>	Member	3	3

<sup>@</sup> Ms. Bhoomi Shah was appointed as a member of the Committee w.e.f. 26.09.2019

<sup>\$</sup> Mr. Harsh Shah was appointed as a member of the Committee in place of Mr. Dakshesh Shah w.e.f. 01.02.2020

### 5.2 Name and Designation of Compliance Officer:

Mr. Raj Shah, Company Secretary

### 5.3 Details of Complaints / Queries received and redressed during 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 are as follows:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending the end of the year



Nil	Nil	Nil	Nil
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All the complaints/ queries have been redressed to the satisfaction of the complainants and no shareholders' complaint/ query was pending at the end of the year.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility (CSR) Policy of Navkar Builders Limited has been developed in accordance with the Section 135 of Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rule, 2014 (here by collectively referred to as the Act) notified by the Ministry of Corporate Affairs, Government of India.

The CSR Vision of the Company is to build relationship of trust with Local communities, Society and Stakeholder as good corporate citizen and to contribute to developing a sustainable society for future generations.

The CSR Policy, formulated in alignment with the vision of the company, lay down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects/Programs.

### 6.1. The Composition of the Committee as at 31<sup>st</sup> March 2020 and the details of Members participation at the Meetings of the Committee are as under:

The Corporate Social Responsibility Committee has been formed as on 14.10.2019 comprising of 4 Members out of which 3 Non-Executive Independent Director and 1 Executive Directors. Mr. Nileshkumar Patel, Non-Executive Director has been appointed as a Chairman of the Committee.

During the year, 1 Committee Meetings were held on January 06, 2020. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Nileshkumar Patel	Chairman	1	1
2	Sarjeevan Singh	Member	1	1
3	Dakshesh shah*	Member	1	1
4	Harsh Shah*	Member	0	0
5	Bhoomi Shah	Member	1	1

\* Mr. Harsh Shah was appointed as a member of the Committee in place of Mr. Dakshesh Shah w.e.f. 01.02.2020.

## 7. INFORMATION ON GENERAL BODY MEETINGS:

### 6.1 The last 3 Annual General Meetings of the Company were held as under:

Date	Time	Venue
26 <sup>th</sup> September, 2019	11.30 A.M. (IST)	304, Circle P, Near Prahlad Nagar, S. G. Highway, Ahmedabad-380051
10 <sup>th</sup> September, 2018	1.30 P.M. (IST)	304, Circle P, Near Prahlad Nagar, S. G. Highway, Ahmedabad-380051
14 <sup>th</sup> September, 2017	11.30 A.M. (IST)	304, Circle P, Near Prahlad Nagar, S. G. Highway, Ahmedabad-380051

### 6.2 Special Resolutions passed in the last 3 Annual General Meetings:

#### 2018-19

1. To Regularize the Appointment of Mr. Sarjeevan Singh (DIN: 08258683) as a Non-Executive Independent Director of the Company.
2. To Regularize the Appointment of Mr. Nileshkumar Patel (DIN: 08316887) as a Non-Executive Independent Director of the Company.
3. To Regularize the Appointment of Ms. Bhoomi Shah (DIN: 08525163) as a Non-Executive Independent Director of the Company.

#### 2017-18

4. To Regularize the Appointment of Mr. Harsh Rukhana (DIN: 03168875) as Regular Director of the Company.
5. To Regularize the Appointment of Ms. Pinki Sagar (DIN: 08113318) as Regular Director of the Company.

#### 2016-17

No special resolutions have been passed at the Annual General Meeting dated 14/09/2017.

### 6.3 Extraordinary General Meeting (EGM):

One Extra Ordinary General Meeting held during the financial year under review.

### 6.4 Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:

No resolution has been passed through the exercise of Postal Ballot during the previous year.

## 8. MEANS OF COMMUNICATION:

- i. **Quarterly results:** The Company's quarterly / half yearly / annual financial results are sent to the Stock Exchanges and Local English and Vernacular

language newspapers and are simultaneously displayed on its website ([www.navkarbuilders.com](http://www.navkarbuilders.com)).

- ii. **Media Releases:** Official media releases are sent to Stock Exchanges and are displayed on the Company's website ([www.navkarbuilders.com](http://www.navkarbuilders.com)).
- iii. **Website:** The Company's website ([www.navkarbuilders.com](http://www.navkarbuilders.com)) contains a separate dedicated section "Investor Relations" where shareholders' information is available. The Company's Annual Report is also available in a downloadable form.
- iv. **Annual Report:** The Annual Report containing, inter-alia, Audited Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Directors' Report in the Annual Report. The Annual Report is displayed on the Company's website ([www.navkarbuilders.com](http://www.navkarbuilders.com)).
- v. **BSE Corporate Compliance & Listing Centre (the "Listing Centre"):** BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints among others, are also filed electronically on the Listing Centre.
- vi. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

The Management Discussions and Analysis Report forms part of the Directors Report and is given separately.

## 9. GENERAL SHAREHOLDER INFORMATION:

### Annual General Meeting:

Date	28 <sup>th</sup> December, 2020
Time	12:00 Noon (IST)
Venue	4, Circle P, Near Prahlad Nagar, S. G. Highway, Ahmedabad-380051

### a. Financial Calendar (Tentative):

The Financial Year of the Company is for a period of 12 months from 1<sup>st</sup> April to 31<sup>st</sup> March.

First quarter results		Second week of August, 2020
Second quarter results	:	Second week of November, 2020
Third quarter results	:	Second week of February, 2021
Fourth quarter results / Year end results	:	Last week of July, 2021

b. **Book Closure:** 22<sup>nd</sup> December, 2020 to 28<sup>th</sup> December, 2020 (both days inclusive)

c. **Listing on Stock Exchanges:**

The names and addresses of the Stock Exchanges at which the equity shares of the Company are listed and the respective stock codes are as under:

Sr. No.	Name of Stock Exchanges	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	BSE - 531494

d. **Market Price Data:**

High and low during each month in the (2019-20) financial year on the Stock Exchanges:

Month	High (Rs.)	Low (Rs.)
April - 2019	20.5	15.5
May - 2019	25.5	17
June - 2019	26.25	18.65
July - 2019	30.9	19.4
August - 2019	29	21
September -2019	27.85	22.7
October -2019	21.85	15.2
November - 2019	22.9	17
December - 2019	21.5	17.15
January - 2020	20.95	14.2
February - 2020	14.96	12.2
March - 2020	12.86	8.58

e. **Registrar And Transfer Agent:**

M/S. MCS SHARE TRANSFER AGENT LIMITED.

1. 383 Lake Gardens, 1<sup>st</sup> Floor, Kolkata 700045

2. 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009

Tele. No.: 033-40724051, 079 26582878

Fax No.: 033-40724050

E-mail:mcssta@rediffmail.com,mcsashmd@gmail.com

**f. Share Transfer System:**

Applications for transfer of shares held in physical form are received at the office of the Registrars & Share Transfer Agents of the Company. All valid transfers are processed and registered within stipulated time.

Shares held in dematerialised form are electronically traded through the Depositories.

Requests for dematerialisation of physical shares are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the Members.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2020 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company.

**g. Shareholding Pattern as on 31<sup>st</sup> March 2020:**

Category of Shareholders	No. of Shareholders	No. of Shares	% of Total Shares
Promoter & Promoter Group	2	69,70,700	35.06
Public-Institutions	1	896	0.00
Public-Individual	1672	73,83,327	37.14
Other Bodies Corporate	27	45,95,895	23.11
NRI	6	8,53,055	4.29
HUF	29	79,927	0.40
Shares underlying DRs	Nil	Nil	Nil
Shares held by Employee Trusts	Nil	Nil	Nil
<b>Total Shareholding</b>	<b>1737</b>	<b>1,98,83,800</b>	<b>100</b>

**h. Shareholding Pattern as on 31<sup>st</sup> March 2020:**

Category	Number of Shareholders	Percentage (%)	Number of Shares	Percentage (%)
1- 500	1100	63.29	256105	1.28
501-1000	374	21.51	290894	1.46
1001- 2000	87	5.0058	134586	0.67
2001- 3000	36	2.07	93615	0.47
3001- 4000	17	0.9781	61345	0.3085

4001- 5000	12	0.6904	55341	0.2783
5001- 10000	33	1.8987	247202	1.2432
10001-50000	50	2.8769	1301240	6.5442
50001-100000	10	0.5754	751378	3.7788
Above 100000	19	1.0932	16692094	83.9482
<b>TOTAL</b>	<b>1737</b>	<b>100</b>	<b>19883800</b>	<b>100</b>

**i. Dematerialisation of shares and liquidity:**

Particulars of Equity holding	Equity Shares of Re. 10/- each.	
	Number of shares	Percent of total shares
NSDL	3533506	17.77
CDSL	15935894	80.14
Physical form	414400	2.09

**j. Outstanding GDRs / ADRs / Warrants or any convertible instruments and conversion date and likely impact on equity:**

There are 4,29,500 warrants pending for conversion, which were stands cancel in the board meeting held on 14<sup>th</sup> October, 2019. There were no other outstanding GDRs / ADRs / Warrants or any convertible instruments as at March 31, 2020.

**k. Commodity price risk or foreign exchange risk and hedging activities:**  
Not Applicable

**l. Plant Locations:** Plot No. 1160, 1161-A, Village: Sanghana, Ta.: Matar, Dist.: Kheda, Gujarat

**m. Unclaimed Dividend:**

Sr. No	Financial Year	Date of Declaration	Dividend Declare	Dividend Paid	Unclaimed Dividend	Due date for Transfer to IEPF
1	2014-15	23/09/2015	17453300	17141725	311575	22/09/2022
2	2015-16	13/09/2016	8726650	8620762	105888	12/09/2023

**n. Nomination Facility:**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form SH-13 for this purpose. Shareholders may write to the Secretarial Department of the Company for a copy of the Form

**o. Credit Ratings:**

No credit ratings obtained by the Company during the relevant financial year for any debt instruments, fixed deposit programme, any scheme or proposal, involving mobilization of funds, whether in India or abroad.

**p. Address for correspondence:**

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrar and Transfer Agent of the Company:

<b>Navkar Builders Limited</b> 304, Circle P, Near Prahlad Nagar, S.G. Highway, Ahmedabad - 380051 Tele. No. : 079-48484095 Fax : 079-48484095 CIN : L45200GJ1992PLC017761 Email : <a href="mailto:navkarbuilders@yahoo.co.in">navkarbuilders@yahoo.co.in</a> Website : <a href="http://www.navkarbuilders.com">www.navkarbuilders.com</a>	<b>MCS SHARE TRANSFER AGENT LIMITED</b> 1. 383 Lake Gardens, 1 <sup>st</sup> Floor, Kolkata 700045 2. 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009 Tele. No.: 033-40724051, 079 26582878 Fax No.: 033-40724050 Email:mcssta@rediffmail.com, mcsashmd@gmail.com
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**10. OTHER DISCLOSURES:**

- 9.1** There are no materially significant transactions with the related parties viz. promoters, directors or the management or their relatives or subsidiaries etc. that had potential conflict with the company's interest. Suitable disclosure as required by the Indian Accounting Standard has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's Website at <https://www.navkarbuilders.com/info.html>.
- 9.2** Transactions with related parties are disclosed in detail in Note No. 3 (A) "Notes to the Financial Statement" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.
- 9.3** There are no pecuniary relationships or transactions of Non-executive Directors vis-à-vis the Company which has potential conflict with the interests of the company at large.
- 9.4** No Strictures or penalties have been imposed on the company by the Stock Exchanges or by the Security Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- 9.5** The Company has formed the policy for determining material subsidiary as required by Regulation 16 of the SEBI (LODR) Regulations, 2015 and the same is disclosed on the Company's website. The web link is <https://www.navkarbuilders.com/info.html>.

**9.6 Vigil Mechanism:**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website at the link: <https://www.navkarbuilders.com/WHISTEL%20BLOWER%20POLICY.pdf>

No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.

**9.7** The minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Listing Regulations is complied with to the extent possible.

**9.8 Certification from Company Secretary in Practice:**

The Company has obtained a certificate from Practicing Company Secretary as required under the SEBI (LODR) Regulations, 2015, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

**9.9** Complaints pertaining to Sexual Harassment:

During the year, the Company has received 0 (zero) complaint pertaining to sexual harassment.

**9.10** Details of total fees paid to Statutory Auditors:

Details relating to fees paid to the Statutory Auditors are given in Note No. 27.1 to the Standalone Financial Statements.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

During the year, the Company has fully complied with the mandatory requirements as stipulated under SEBI (LODR) Regulations, 2015.

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, is provided below:

- a. **The Board:** The Chairman of the Company is Executive Director.
- b. **Shareholder Rights:** Half-yearly and other Quarterly financial statements are published on news papers and uploaded on company's website [www.navkarbuilders.com](http://www.navkarbuilders.com).
- c. **Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.
- d. **Chairperson and Chief Executive Officer:** Mr. Harsh Shah is the Chairman and Managing Director of the Company.



- e. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

The above Report was placed before the Board at its meeting held on November 28, 2020 and the same was approved.

**By Order of the Board of Directors  
For Navkar Builders Limited**

**Date: 28/11/2020  
Place: Ahmedabad**

**Sd/-  
Harsh Shah  
Managing Director  
(DIN: 01662085)**

**Sd/-  
Pinki Sagar  
Director & CFO  
(DIN: 08113318)**

### **DECLARATION**

#### **Compliance with the Code of Business Conduct and Ethics**

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Navkar Builders Limited Code of Business Conduct and Ethics for the year ended March 31, 2020.

**By Order of the Board of Directors  
For Navkar Builders Limited**

**Date: 28/11/2020  
Place: Ahmedabad**

**Sd/-  
Harsh Shah  
Managing Director  
(DIN: 01662085)**

**Sd/-  
Pinki Sagar  
Director & CFO  
(DIN: 08113318)**

## CEO/CFO CERTIFICATE

We the undersigned, in our respective capacities as Chief Financial Officer of Navkar Builders Limited ("the Company") to the best of our knowledge and belief certify that:

a. We have reviewed the financial statements and the cash flow statement for the year 2019-20 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2019-20 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2018-19;
- Significant changes in accounting policies during the year 2019-20 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**For, Navkar Builders Limited**

**Date: 28/11/2020**  
**Place: Ahmedabad**  
**Sd/-**

**Pinki Sagar**  
**Director & CFO**  
**(DIN: 08113318)**

## CERTIFICATE ON FINANCIAL STATEMENTS

To,  
The Members,  
**Navkar Builders Limited**

We have hereby certify that:

1. We have reviewed the financial statements and the cash flow statements of Navkar Builders Limited for the financial year 2019-20 and to the best of our knowledge and belief, we state that:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes in internal control over financing reporting during the year;
  - b. significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - c. That there were no instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

**By Order of the Board of Directors  
For Navkar Builders Limited**

**Date: 28/11/2020**  
**Place: Ahmedabad**

Sd/-  
**Harsh Shah**  
**Managing Director**  
**DIN: 01662085**

MANAGEMENT DISCUSSION AND ANALYSIS

**INDUSTRIAL OVERVIEW:**

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. India was ranked 44 out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018. India ranked second in the 2019 Agility Emerging Markets Logistics Index.

❖ **MARKET SIZE:**

Foreign Direct Investment (FDI) in Construction Development sector (townships, housing, built up infrastructure and construction development projects) stood at US\$ 25.66 billion during April 2000 to March 2020, according to Department for Promotion of Industry and Internal Trade (DPIIT). The logistics sector in India is growing at a CAGR of 10.5 per cent annually and is expected to reach US\$ 215 billion in 2020.

❖ **GOVERNMENT INITIATIVES:**

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport. The Government of India is taking every possible initiative to boost the infrastructure sector. Announcements in Union Budget 2020-21:

- In April 2020, the Government set a target of constructing roads worth Rs 15 lakh crore (US\$ 212.80 billion) in the next two years.
- In May 2020, Border Roads Organisation (BRO) achieved major milestone by digging up a 440-metre long tunnel below the busy Chamba town on Rishikesh-Dharasu road Highway (NH 94).
- Indian energy sector is expected to offer investment opportunities worth US\$ 300 billion over the next 10 years.
- NHAI will be able to generate revenue of Rs one lakh crore (US\$ 14.31 billion) from toll and wayside amenities over the next five years.
- In the Union Budget 2020-21, the Government has given a

massive push to the infrastructure sector by allocating Rs 1,69,637 crore (US\$ 24.27 billion) to develop the transport infrastructure.

- Communication sector has been allocated Rs 38,637.46 crore (US\$ 5.36 billion) to develop post and telecommunications departments.
- Indian Railways has received an allocation of Rs 72,216 crore (US\$ 10.33 billion) under Union Budget 2020-21.

## **INDUSTRY STRUCTURE:**

The construction industry makes up for a major part of India's GDP. Being a significant contributor to the GDP of India, the industry acts as a gateway for more opportunities. Investment in the construction industry in India, therefore, directly leads to the country's economic development. The Construction industry in India consists of the real estate as well as the urban development segment. The Real estate segment covers residential, office, retail, hotels and leisure parks, among others, while urban development segment broadly consists of sub-segments such as Water supply, Sanitation, Urban transport, Schools, and Healthcare.

By 2025, Construction market in the country. is expected to emerge as the 3rd largest globally and the construction output is expected to grow on an average of 7.1% each year. An enhancement in the construction industry will directly have a positive effect on other industries like cement, technology, steel, etc. The development of a nation is recognized through its infrastructure. FDI in the construction department in North India will bring with it new possibilities to uplift the construction industry.

100% FDI in construction development sector under automatic route is permitted in completed projects for operations and management of townships, malls/shopping complexes, and business constructions.

100% FDI in real estate in India is allowed under the automatic route for urban infrastructures such as urban transport, water supply and sewerage and sewage treatment.

## **OPPORTUNITIES:**

The word "potential" is a much over used phrase when looking at India. As we have seen earlier the infrastructure statistics are of such mind - boggling proportions that it could be said that there is a massive potential for the growth of ready mixed concrete industry. However, realizing that potential will take a considerable time as companies come to terms with the unique obstacles presented in the Indian market.

Our vision is to achieve leadership position in India and explore the opportunities out of India. We committed to building long term relationships based on integrity, performance and value, as well as client satisfaction. To be one of the premier infrastructure company in India by 2022 executing various vertical of construction activities with the help of its inhouse rawmaterial production.

## **CHALLENGES RISKS & CONCERNS:**

- **Industry/ policy risk:**

The Company's business is highly dependent on road and bridge projects in India undertaken or awarded by governmental authorities and other entities funded by governments. Any change in government policies resulting in a decrease in the amount of road and bridge projects undertaken or a decrease in private sector participation in road and bridge projects adversely affects our business and results of operations. Our business may be affected by changes in interest rates, changes in Government policy, taxation, exchange rates and controls, social and civil unrest and political, economic or other developments in or affecting India.

- **Project risk:**

Infrastructure projects involve agreements that are long-term in nature (as much as three years in EPC contracts and around 25 years in Design, Build, Finance, Operate and Transfer (DBFOT) road projects). All long term projects have inherent risks associated with them and involve variables that may not necessarily be within our control. These include inflation, interest rates movements, liquidity, commodity and oil prices, governance, construction delays, material shortages, unanticipated cost increases, cost overruns, inability to negotiate satisfactory arrangements with joint venture partners, and disagreements with our joint venture partners.

We are increasingly bidding for large-scale infrastructure projects. There are various risks associated with the execution of large-scale projects. Managing large-scale integrated projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. In addition, we may need to execute large-scale projects through joint ventures with other companies, which expose us to the risk of default by our Joint Venture Partners.

- Adherence To Safety & Quality Norms
- Sustainable & Continual Growth

- Teamwork And Healthy Competition
- Concern Towards The Stakeholders
- Deliver Best Service.
- Strong Willingness to Learn.
- Adherence To Values & Ethics

## **Company's Diversified Activities**

### Optical Fiber Cable Laying for 4G Network

- ❖ Laying of 4G Cable Networking under Reliance Jio. Recent Completed sites were located in Ahmedabad, Baorda & Kutchchh City

### *Drainage Work*

- ❖ Company has been awarded by Gujarat Urban Development Corporation (GUDC) for Drainage Work at Anand Town amounting to Rs. 90 Cr which is under progress.
- ❖ Company has been awarded by Gujarat Urban Development Corporation (GUDC) for Drainage Work at Borsad Town amounting to Rs. 23 Cr. which is completed satisfactorily.
- ❖ Company has been recently awarded an order of Rs. 211.00 Cr by Bhopal Municipal Corporation for Sewage Treatment Project at Kolar Town & outside upper and lower lake catchment area south & soth east zone in the name of Joint Venture.

### *Construction of Class Room at Various Locations under SarvaSikshaAbhiyan (SSA)*

- ❖ Company has been awarded and completed construction of class rooms by Gujarat Council of Elementary Education (GCEE) under SarvaSikshaAbhiyan (SSA) at Various locations

### *Engineering, Procurement & Construction*

- ❖ Company has been awarded and completed EPC contract with some of the parties like Larsen & Tubro Ltd., ShapoorjiPAllonji Group of Companies, Sadbhav Engineering Ltd. etc. at Various locations amounting to Rs. 80 Cr.

We have equipped ourselves with all the resources required to venture into the new field.

### Manpower -

- We have recruited best talent available in the market for executing this new project viz. Project Management, Project Execution, Finance, HR,

Legal, IT.

- For Site we have hired skilled labors to carry out the HDD activities

Money -

- We are financially self sustained however capable of raising funds easily due to our reputation and contacts with the Banks like Union Bank, HDFC, Axis etc.

Method -

- We have developed the best SOPs so that the project taken is completed well within time / before time without compromising quality of work.

Material -

- We preserve an extensive database for local vendors and others so that no work delays due to material unavailability

Management -

- We are a professionally managed company wherein we follow the best solutions to our business aspects in the most strategic way.

As mentioned -

- We are professionally managed company.
- We are financially self reliant and enjoy very robust relationship with Banks.
- Our core strength lies in Infrastructural Development.
- We are equipped with the best machines / resources.
- Our Project Team is highly qualified and carries rich experience.
- We believe in sustainable growth without compromising Quality & Safety.

## **FUTURE OUTLOOK:**

With the concern over liquidity there has been a general slowdown in both real estate and infrastructure projects. Many of the high-end residential projects, especially in metro cities, have been delayed.

India is in fast-forward mode and time is of essence. Players like BPOs often want to start operations straight away and have no time to wait. All this is tipping the scales in favor of infrastructure project, and mechanized construction equipment at sites. So we conclude that the coming years will be moving from the recession to the boom in such a way that infrastructure industry will get booster without compromise.

## **SEGMENT WISE PERFORMANCE:**

The Company is operating only in one sector i.e. Infrastructure Project Activity therefore the segment reporting and performance standard is not applicable to the Company.



## QUALITY CONTROL:

The Management and the Employees of Navkar Builders Ltd. are committed to operate every aspect of the Construction adhering to the standards that offers quality service to all clients by adopting and implementing effecting Quality Management System & Procedures.

## FINANCIAL PERFORMANCE:

The Company has diversified its business activities and at the verge of achieving better financial performance. The Company has successfully implemented various operational excellence programs designed with the help of external consultants so as to optimize on cost and delivery commitments. The Company's cash flow position as at the yearend continues to remain strong. Increased liquidity has strengthened the Company's confidence for launching new growth initiatives for the existing and emerging businesses of construction.

Details of significant changes (i.e. change of 25% or it. more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof, including:

Sr. No.	Financial Ratio	Year ended	
	Particulars	31.03.2020	31.03.2019
1.	Debtors Turnover	1.24	2.47
2.	Inventory Turnover	2.40	12
3.	Interest Coverage Ratio	1.65	7.20
4.	Current Ratio	1.37	1.20
5.	Debt Equity Ratio	0.16	0.13
6.	Operating Profit Margin (%)	2.14	4.56
7.	Net Profit Margin (%)	0.88	3.59

### Notes:

1. Debtors Turnover is decrease due to Covid-19 and current market slow down for infrastructure business.
2. Inventory Turnover ratio is decreased due to as on date Closing stock Inventory is more than the average increase in sales compared to the previous year.
3. Interest Coverage Ratio is decreased in Sale.
4. Operating Profit Margin (%) is decrease due to decrease in Operating Profit compared to the Total Revenue of the Company in Current Financial year.
5. Net Profit Margin (%) decreased by due to decrease in Net Profit and increases the total Revenue of the Company in Current financial year as compared to previous financial year.

## **INTERNAL CONTROL SYSTEM:**

The Company's employees and projects have been and are exposed to risks and threats to life, liberty, and property while operating in risky geographical areas. The Company however takes pride in executing prestigious works in the nation building task. The Company has taken measures with the help of the Government to provide adequate security, facilities, and also insurance coverage in such places. The Company has a formal Enterprise Risk Management framework in place which will be reviewed periodically.

**By Order of the Board of Directors  
For Navkar Builders Limited**

**Date: 28/11/2020  
Place: Ahmedabad**

**Sd/-  
Harsh Shah  
Managing Director  
(DIN: 01662085)**

**Sd/-  
Pinki Sagar  
Director & CFO  
(DIN: 08113318)**

ANNEXURE -F

**TO THE DIRECTORS' REPORT FOR THE YEAR 2019-2020**

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

<b>a)</b>	<b>Conservation of energy</b>			
	(i)	the steps taken or impact on conservation of energy	NIL	
	(ii)	the steps taken by the company for utilizing alternate sources of energy	NIL	
	(iii)	the capital investment on energy conservation equipment's	NIL	
<b>(b)</b>	<b>Technology absorption</b>			
	(i)	the efforts made towards technology absorption	NIL	
	(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NIL	
	(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-		
		(a)	the details of technology imported	NIL
		(b)	the year of import;	NIL
		(c)	whether the technology been fully absorbed	NIL
		(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
	(iv)	the expenditure incurred on Research and Development	NIL	
<b>(c)</b>	<b>Foreign exchange earnings and Outgo</b> During the year, the total foreign exchange used was Rs. Nil and the total foreign exchange earned was Rs. Nil.			

**PARTICULARS OF EMPLOYEE**

**I. INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**Remuneration paid to whole-time directors and KMP**

<b>Name of the Director and KMP</b>	<b>Designation</b>	<b>Ratio of remuneration of each Director / KMP to the Median Remuneration of Employees</b>	<b>Percentage increase in Remuneration in the Financial year 2019-20</b>
Mr. Dakshesh Shah*	Managing Director	15.30:1	0.47
Mr. Harsh Shah*	Managing Director	2.38:1	NIL
Mr. Harsh Rukhana	Executive Director	NIL	NIL
Mrs. Pinki Sagar@	Chief Financial Officer	NIL	NIL
Mr. Sarjeevan Singh	Independent Director	NIL	NIL
Ms. Bhoomi Shah	Independent Director	NIL	NIL
Mr. Nileshkumar Patel	Independent Director	NIL	NIL
Mr. Raj Shah**	Company Secretary	0.78:1	NIL
Mrs. Ripal Dave+	Executive Director	NIL	NIL

# Ratio/Percentage increase in remuneration is not reported as they were holding respective office(s) for part of the financial year 2019-20.

\* Appointment of Mr. Harsh Shah as a Managing Director in place of Mr. Dakshesh Shah as on 01.02.2020.

@ Appointment of Mrs. Pinki Sagar as a Chief Financial officer as on 13.04.2019

\*\* Appointment of Mr. Raj Shah as Company Secretary as on 07.12.2019

+ Resigned as on 03.08.2020

Note:

1. The details of remuneration of the Independent Directors of the Company have been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Independent Directors' Remuneration is, therefore, not considered for the purpose above.
  2. Percentage increase in remuneration indicates annual total compensation increase, as recommended by the Nomination and Remuneration Committee and duly approved by the Board of Directors of the Company.
- II. The percentage increase in the median remuneration of employees in the financial year 2019-20 was Nil.
- III. There were 2 permanent employees on the rolls of the Company as on March 31, 2020.
- IV. Average percentage increase made in the salaries of employees other than the KMP in the previous financial year was Nil, whereas the average percentage increase in remuneration of the KMP was Nil. The average increase of remuneration every year is an outcome of the Company's market competitiveness as against similar Companies. The increase of remuneration this year is a reflection of the compensation philosophy of the Company and in line with the benchmark results.
- V. It is hereby affirmed that the remuneration paid to all the Directors, KMP, Senior Managerial Personnel and all other employees of the Company during the financial year ended March 31, 2020, were as per the Nomination and Remuneration Policy of the Company.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF NAVKAR BUILDERS LIMITED**

#### **Report on the Audit of the Standalone**

##### **Financial Statements Opinion**

We have audited the accompanying standalone financial statements of **Navkar Builders Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Impairment of Assets</b></p> <p>The company had two operating sites at Narol-Ahmedabad amounting to Rs.27.01 lakhs and Patan Dist. Patan(Gujarat) amounting to Rs.50.93 lakhs on these rented sites the company had installed plant and machinery for preparing concrete mixture however these sites are vacated and not in possession of the company however the company had incurred capital expenses for installation of plant &amp; machinery on these sites. Since the company had vacated these sites the capital expenditure which is attached to land for foundation of Plant &amp; Machinery has no value therefore same has been written off as impairment of these two assets. And one office vehicle at Ahmedabad which do not exist is also written off as impairment loss amounting to Rs.0.45 lakh.</p> <p><b>Depreciation:</b></p> <p>Company has not provided depreciation on following asset due to impairment of assets mentioned in point 1 above,</p> <p>i) Fixed asset-Narol of Rs.27.01 lakhs ii)Fixed asset-Patan of Rs.50.93 lakhs</p> <p>The company has further not provided depreciation on following asset because they are not used during the whole year and some assets reached at its residual value</p> <p>i)Fixed asset-Kheda of Rs. 1649.71 lakhs ii)Fixed asset-Halol of Rs.3947.32 lakhs iii)Fixed asset-Ahmedabad of Rs.474.08 lakhs. iv)Fixed asset-office of Rs.1.53 lakhs due to asset reached at its residual value.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures related to valuation of impairment of asset has been based on whether the asset has suffered any impairment of asset or not and when annual impairment testing for an asset required, the recoverable of amount of the asset is estimated in order to determine the extent of impairment loss . Further on the basis of external indicators as shown in Ind AS-36 and on the basis of explanation given by the management In the present case on the basis of estimate and actual position of the asset and as explained by management, there is no amount recoverable from the asset therefore in the statement of profit and loss account the asset value according to books of account have been written off.</p> <p>i) Our audit procedures related to verification of assets owned by the company at different places have been based on whether the assets have been used during the year for the operation of business of the company and further on the basis of explanation given by the management. In the present case on the basis of estimate and actual position of the asset,and as explained by management, the assets at following premises which were rented, have been vacated and handed over to their owners. The expenses incurred by the company for installation of assets on these sites like foundation,Structures etc which cannot be removed and cannot be sold.Therefore after vacating the rented premises these expenses are written off as impairment loss and no depreciation is claimed</p> <p>a) Fixed asset-Narol of Rs.27.01 lakhs b) Fixed asset-Patan of Rs.50.93 lakhs</p> <p>ii)In case of following assets, the company has not provided depreciation because they are not used during the whole of the year. As per explanation given by the management, these assets are not likely to be used in near future looking to the method of business of the company. Therefore no depreciation have been claimed on these assets \to give true and</p>

<p>3.</p>	<p><b><i>Operating activity and its valuation</i></b></p> <p>The Company is doing business of infrastructure activities which are complex in nature and span over a number of reporting periods.</p> <p>The accounting standard requires an entity to select measurement method for the relevant performance obligation that depicts the entity's performance in transferring goods if a project is onerous, present obligations are recognized and measured. Fixed price contracts using the percentage of completion method</p> <p>We identified project accounting as a key audit matter because the estimation of the total revenue and total cost to complete the project, prepared based on the prevailing circumstances, is inherently subjective, complex and require significant management judgements and forecast of project revenue and/or project cost may get subsequently changed due to change in prevailing circumstances, assumptions, project variations or any other factor, and could result in material variance in the revenue and Profit loss from project for the reporting.</p>	<p>fair view of the financial statements.</p> <p>a)Fixed asset-Kheda of Rs. 1649.71 lakhs b)Fixed asset-Halol of Rs.3947.32 lakhs c)Fixed asset-Ahmedabad of Rs.474.08 lakhs.</p> <p>iii)On the basis of explanation received from management, the following assets have reached at its residual value and therefore no depreciation is provided on the same</p> <p>a)Fixed asset-office of Rs.1.53 lakhs due to asset reached at its residual value.</p> <p>Our procedures includes the followings :</p> <ul style="list-style-type: none"> <li>• We selected a sample of bills to test using the risk based criteria which includes individual project. The Company has not entered into any contract with the parties. <ul style="list-style-type: none"> <li>- Significant revenue recognized during the year</li> <li>- Significant unbilled work-in-progress [WIP] balances held at the year end or</li> <li>- low profit margins.</li> </ul> </li> <li>• Obtained an understanding of management's process for reviewing long term projects, the risk associated with the project and any key judgements.</li> <li>• Evaluating the design and implementation of key internal controls over the project revenue and cost estimation process through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of these controls as the company given the project to third parties on Labour cum job work basis. We have not verified any inspection report for the projects completed and/or under process.</li> <li>• Evaluating the status of material suppliers as at year end and the company's on going relationship. The company has not received</li> </ul>
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		<p>the confirmation from the suppliers and hence it is subject to reconciliation .</p> <ul style="list-style-type: none"> <li>• Evaluating the adequacy of the standalone financial statements disclosures, including disclosures of key assumptions and judgements.</li> </ul>
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### **Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report , Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management’s Responsibilities for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and

operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company did not have any pending litigations as at March 31, 2020 on its financial position in its standalone financial statement.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2020.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended March 31, 2020.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**Place : Ahmedabad**  
**Date : July 31, 2020**

**For, S. V. Agrawal & Co.**  
**Chartered Accountants**  
**ICAI Firm Reg. No. 100164W**

**Sd/-**  
**(CA S. V. Agrawal)**  
**( Proprietor)**  
**Mem. No.: 030851**  
**UDIN:20030851AAAADD4503**

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF NAVKAR BUILDERS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020.**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the "Guidance Note") the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial controls and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have an effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial reporting**

Because of the inherent limitations of internal financial controls with reference to financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India

**Place : Ahmedabad**  
**Date : July 31, 2020**

**For, S. V. Agrawal & Co.**  
**Chartered Accountants**  
**ICAI Firm Reg. No. 100164W**

**Sd/-**  
**(CA S. V. Agrawal)**  
**( Proprietor)**  
**Mem. No.: 030851**  
**UDIN:20030851AAAADD4503**

## ANNEXURE –B TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Navkar Builders Limited of even date)

i. In respect of the Company’s fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanations given to us by the management, that

The company had two operating sites at Narol-Ahmedabad amounting to Rs.27.01 lakhs and Patan Dist. Patan(Gujarat) amounting to Rs.50.93 lakhs on these rented sites the company had installed plant and machinery for preparing concrete mixture however these sites are vacated and not in possession of the company however the company had incurred capital expenses for installation of plant & machinery on these sites. Since the company had vacated these sites the capital expenditure which is attached to land for foundation of Plant & Machinery has no value therefore same has been written off as impairment of these two assets. And one office vehicle at Ahmedabad which do not exist is also written off as impairment loss amounting to Rs.0.45 lakh.

Further , as per the information and explanation given by management following assets are not used during the whole year and some assets reached at its residual value

- i)Fixed asset-Kheda of Rs. 1649.71 lakhs
- ii)Fixed asset-Halol of Rs.3947.32 lakhs
- iii)Fixed asset-Ahmedabad of Rs.474.08 lakhs.
- iv)Fixed asset-office of Rs.1.53 lakhs due to asset reached at its residual value.

- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of leasehold land , buildings , are held in the name of the Company as at the balance sheet date.

ii. In respect of company’s Inventories

- (a) According to the information and explanation given to us, the inventories except, work-in-process and materials lying at the place various projects have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.

- (b) As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.

- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has granted unsecured to one body corporate covered in the register maintained under Section 189 of the Companies Act, 2013, of Rs. 76.17 Lakh given in previous & preceding years containing for purchase of office premises for which sale deed is pending.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. As per information and explanation available to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income-Tax, GST, Custom Duty, Cess and other statutory dues have not been regularly deposited with the appropriate authorities applicable to Company. Further according to information explanation given to us, No undisputed statutory dues applicable to the company were outstanding as at 31st March ,2020 for a period of more than 6 months from the date they become payable.

According to the information and explanation available to us, there are no dues outstanding on account Sales Tax, GST, Income Tax, Service Tax, Custom Duty, Excise Duty and Cess on account of dispute.

- viii. Based on our audit procedures and as per information and explanation given to us by the management of the company, we are of the opinion that company has not defaulted in repayment of dues to financial institutions and banks during the year under review. The company has not issued any debentures.
- ix. Based on the audit procedures performed and according to the information, explanations given to us, on an overall basis, the Company has not taken term loans during the year under review. The company has not raised any money through a public issue during the year under review.
- x. Based upon the audit procedures performed and as per the information and explanation given by the management, we report that no fraud by the company or any fraud on the company by its officers / employees has been noticed or reported during the course of our audit.
- xi. As per the information and explanations given to us, the company has complied with the provisions of section 197 of the Companies Act, 2013 regarding managerial remuneration to the extent applicable.
- xii. In our opinion, the company is not a Nidhi company. Consequently, the provisions of clause (xii) of the order are not applicable to the company.
- xiii. Based upon the audit procedures performed and as per the information and explanation given by the management, all the transactions with the related parties are in compliance with Section



177 and 188 of the Companies Act, 2013 and have been duly disclosed in the financial statements, as required by the applicable accounting standards.

- xiv. Based on the audit procedures performed and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. Based on the audit procedures performed and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Consequently, the provisions of clause (xv) of the order are not applicable to the company,
- xvi. Since the company is not an NBFC, the provisions of clause (xvi) of the order are not applicable to the company.

**Place : Ahmedabad**  
**Date : July 31, 2020**

**For, S. V. Agrawal & Co.**  
**Chartered Accountants**  
**ICAI Firm Reg. No. 100164W**

**Sd/-**  
**(CA S. V. Agrawal)**  
**( Proprietor)**  
**Mem. No.: 030851**  
**UDIN:20030851AAAADD4503**

**Navkar Builders Ltd.**

**STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2020**

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	5	544,797,083	561,197,104
Capital Work in Progress		12,697,969	12,697,969
<b>Financial Assets</b>			
Investments	6	5,432,947	-
Loans & Advances	7	7,646,309	5,923,809
<b>Current assets</b>			
Inventories	8	184,694,198	128,974,255
<b>Financial Assets</b>			
Trade Receivables	9	356,025,068	627,065,940
Cash and Cash Equivalents	10	28,091,929	130,745,438
Loans & Advances	11	334,112,729	478,022,315
<b>TOTAL ASSETS</b>		<b>1,473,498,232</b>	<b>1,944,626,831</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	198,838,000	198,838,000
Other Equity	13	579,765,025	575,865,338
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	14,527,558	15,171,291
Deferred Tax Liabilities (Net)	15	20,155,978	20,092,001
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	109,881,789	84,402,307
Trade Payables	17	411,944,562	926,997,617
Short-Term Provisions	18	5,530,000	34,215,022
Other Current Liabilities	19	132,855,316	89,045,254
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,473,498,232</b>	<b>1,944,626,831</b>

**As per our report of even date**

**For, S. V. Agrawal & Co.**  
**Chartered Accountants**  
**Firm Reg. No: 100164W**  
**UDIN:20030851AAAADD4503**

**CA S.V. Agarwal**  
**Proprietor**  
**M.No. 030851**

**Place :- Ahmedabad**  
**Date :- July 31, 2020**

**For and on behalf of the Board of Directors of**  
**Navkar Builders Limited**

**Harsh J. Shah**  
**Managing Director**  
**01662085`**

**Pinki Nirmal Sagar**  
**Director**  
**08113318`**

**Raj Shah**  
**Company Secretary**

**Place :- Ahmedabad**  
**Date :- July 31, 2020**

**Navkar Builders Limited**

x

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2020**

**Amount in (Rs.)**

PARTICULARS		Note No.	Year Ended 31.03.2020	Year Ended 31.03.2019
I	Revenue from Operations	20	444,560,042	1,548,218,962
II	Other Income	21	13,860,322	8,004,853
<b>III</b>	<b>Total Income (I+II)</b>		<b>458,420,364</b>	<b>1,556,223,815</b>
<b>IV</b>	<b>EXPENSES</b>			
	(1) Cost of Materials Consumed	22	466,972,296	1,456,937,040
	(2) Purchase of Stock-In-Trade	23	-	-
	(3) Changes in Inventories of Finished Goods, Work-In-Progress and Stock	24	(55,475,387)	(23,325,685)
	(4) Prior Period Items		28,320	
	(5) Employee Benefits Expense	25	4,389,674	3,587,129
	(6) Finance Cost	26	17,991,759	15,959,643
	(7) Depreciation and Amortisation Expense	5	1,260,418	877,923.1
	(8) Impairment Loss	5	7,839,145	
	(9) Other Expenses	27	5,920,476	15,669,051
	<b>Total Expenses (IV)</b>		<b>448,926,701</b>	<b>1,477,606,409</b>
<b>V</b>	<b>Profit before Exceptional Items and Tax (III-IV)</b>		<b>9,493,663</b>	<b>78,617,406</b>
VI	Exceptional Items			
<b>VII</b>	<b>Profit before Tax</b>		<b>9,493,663</b>	<b>78,617,406</b>
VIII	Tax Expense			
	(1) Current Tax		5,530,000	24,300,000
	(2) Prior Period Taxation			-
	(3) Deferred Tax		63,977	(1,272,915)
<b>IX</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>3,899,686</b>	<b>55,590,321</b>
X	Profit / (Loss) from discontinued operations			-
XI	Tax Expense of discontinued operations			-
<b>XII</b>	<b>Profit (Loss) from discontinuing operations (after tax) (X-XI)</b>			
<b>XIII</b>	<b>Profit (Loss) for the period (IX-XIII)</b>		<b>3,899,686</b>	<b>55,590,321</b>
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV</b>	<b>Total Comprehensive Income for the Period (XIII+XIV)</b>		<b>3,899,686</b>	<b>55,590,321</b>
<b>XVI</b>	<b>Earnings Per Equity Share</b>			
	(1) Basic		0.20	2.80
	(2) Diluted		0.20	2.80

As per our report of even date  
For, S. V. Agrawal & Co.  
Chartered Accountants  
Firm Reg. No: 100164W  
UDIN:20030851AAAADD4503

CA S.V. Agarwal  
Proprietor  
M.No. 030851

Place :- Ahmedabad  
Date :- July 31, 2020

For and on behalf of the Board of  
Navkar Builders Limited

Harsh J. Shah  
Managing Director  
01662085`

Pinki Nirmal Sagar  
Director  
08113318`

Raj Shah  
Company Secretary

Place :- Ahmedabad  
Date :- July 31, 2020

**NAVKAR BUILDERS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**  
(Refer Note no 2.5.1 of the Notes to Financial statements)

Particulars	For the period ended on 31.03.2020	For the period ended on 31.03.2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	9,493,663	78,617,406
<b>Adjustments for:</b>		
Asset Discarded / Loss on Sale of Assets	-	24,361
Impairment of Assets	7,839,145	-
Effect of Other Comprehensive Income	-	-
Depreciation	1,260,418	8,779,231
Finance Cost	17,991,759	15,959,643
Interest Income	(1,961,462)	(7,743,968)
<b>Operating Profit before Working Capital Changes</b>	<b>34,623,523</b>	<b>95,636,673</b>
<b>Movements in Working Capital :</b>		
Decrease / (Increase) in Inventories	(55,719,943)	(22,868,053)
Decrease / (Increase) in Sundry Debtors	271,040,872	(1,275,890)
Decrease / (Increase) in Loans and Advances	143,909,586	(316,426,814)
(Decrease) / Increase in Trade Payables	(515,053,055)	386,974,603
(Decrease) / Increase in Short Term Provisions	(28,685,022)	-
(Decrease) / Increase in Other Current Liabilities	43,810,062	29,398,371
Cash (used in) / generated from operations	<b>(106,073,976)</b>	<b>171,438,889</b>
Direct Taxes Paid	5,530,000	32,398,878
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(111,603,976)</b>	<b>139,040,011</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase) of Fixed Assets	(4,448,851)	(23,069,005)
Sale / Disposal of Fixed Assets	11,749,309	175,639
Assets Discarded / Loss on Sale of Assets	-	(24,361)
(Increase) / Decrease in Investments	(5,432,947)	-
Interest Received	1,961,462	7,743,968
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>3,828,973</b>	<b>(15,173,759)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment) / Proceeds From Long Term Borrowings	(643,733)	6,304,291
(Repayment) / Proceeds From Short Term Borrowings	25,479,482	2,660,989
Repayment / (Proceeds) From Long Term Loans & Advances	(1,722,500)	123,127
Proceeds from Issue of Shares and Application money received	-	-
Interest Expense	(17,991,759)	(15,959,643)
Dividend & DDT	-	-
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>5,121,491</b>	<b>(6,871,236)</b>
<b>D.NET INCREASE IN CASH AND CASH EQUIVALENTS (D)=(A+B+C)</b>	<b>(102,653,512)</b>	<b>116,995,016</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>130,745,438</b>	<b>13,750,423</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>28,091,929</b>	<b>130,745,439</b>
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	4,367,360	1,808,317
With Scheduled Banks		
- in Current Account	1,179,194	108,911,655
- in Term Deposit Accounts	22,545,374	20,025,466
	<b>28,091,929</b>	<b>130,745,438</b>

**Notes**

1) The figures in brackets represent outflows.

2) Previous periods' figures have been regrouped / reclassified, wherever necessary, to confirm to current year

As per our report of even date

For, S. V. Agrawal & Co.  
Chartered Accountants  
Firm Reg. No: 100164W  
UDIN:20030851AAAADD4503

CA S.V. Agarwal  
Proprietor  
M.No. 030851

Place :- Ahmedabad  
Date :-July 31, 2020

For and on behalf of the Board of Directors of  
Navkar Builders Limited

Harsh J. Shah  
Managing Director  
01662085`

Raj Shah  
Company Secretary

Pinki Nirmal Sagar  
Director  
08113318`

Place :- Ahmedabad  
Date :-July 31, 2020

**Navkar Builders Limited**  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2020

4.

**(A) EQUITY SHARE CAPITAL**

Particulars	As at 31st March,2020	As at 31st March,2019
Balance as at the beginning of the year	19,883,800	19,883,800
Issued during the year	-	-
<b>Balance as at the end of the year</b>	<b>19,883,800</b>	<b>19,883,800</b>

**(B) OTHER EQUITY**

Particulars	Share Application Money Pending For Allotment / Money received against share	Reserves & Surplus				Other Comprehensive Income		Total
		Retained Earnings	General reserves	Capital reserves	Security Premium	Revaluation Surplus	Equity Instrument through OCI	
Balance as on 01.04.2019	2,147,500	176,596,485	275,000	4,611,500	27,027,500	365,000,000	207,351	575,865,336
Addition During the Year					-			-
Profit For the year		3,899,686						3,899,686
Other Comprehensive Income							-	-
Impairment in Property plant & Equipment								-
Dividend								-
Dividend Distribution Tax								-
<b>Balance as on 31.03.2020</b>	<b>2,147,500</b>	<b>180,496,172</b>	<b>275,000</b>	<b>4,611,500</b>	<b>27,027,500</b>	<b>365,000,000</b>	<b>207,351</b>	<b>579,765,023</b>
Balance as on 01.04.2018	2,147,500	125,778,278	275,000	4,611,500	27,027,500	365,000,000	207,351	525,047,129
Addition During the Year					-			-
Profit For the year		55,590,321						55,590,321
Other Comprehensive Income							-	-
Impairment in Property plant & Equipment								-
Dividend		(3,976,760)						(3,976,760)
Dividend Distribution Tax		(795,352)						(795,352)
<b>Balance as on 31.03.2019</b>	<b>-</b>	<b>176,596,487</b>	<b>275,000</b>	<b>4,611,500</b>	<b>27,027,500</b>	<b>-</b>	<b>207,351</b>	<b>575,865,338</b>

As per our report of even date  
For, S. V. Agrawal & Co.  
Chartered Accountants  
Firm Reg. No: 100164W  
UDIN:20030851AAAADD4503

CA S.V. Agarwal  
Proprietor  
M.No. 030851

Place :- Ahmedabad  
Date :- July 31, 2020

For and on behalf of the Board of Directors of  
Navkar Builders Limited

Harsh J. Shah  
Managing Director  
01662085

Pinki Nirmal Sagar  
Director  
08113318

Raj Shah  
Company Secretary

Place :- Ahmedabad  
Date :- July 31, 2020

**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION:**

NAVKAR BUILDERS LIMITED ('the company') is engaged in the business of construction and development of infrastructure projects (including provision of Ready mix concrete and Reinforced Cement Concrete Pipes).

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation and presentation**

These standalone financial statements are prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015; and other relevant provisions of Companies Act, 2013 and the rules made thereunder. The financial statements are prepared under Ind AS application w.e.f. 01-04-2016.

The standalone financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified thereunder, except for certain financial assets liabilities measured at fair value.

**2.2 Use of Estimates**

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment
- Valuation of deferred tax assets
- Valuation of inventories
- Provisions & contingent liabilities

**2.3 Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity

**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

## **2.4 Property, plant and equipment**

### **2.4.1 Tangible Assets:**

Property (including lease assets), plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of fixed assets comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

The Estimated Useful Lives of assets are in accordance with the Schedule II of the Companies Act, 2013.

**2.4.2** Capital WIP includes advances for Capital work in Progress amounting to Rs. 126.98 lacs. These are old advances prior to 2016 pending for completion.

**2.4.3.** The Company has revalued leasehold GIDC (Halol) land at fair value in the financial year 2017-2018 and the increased amount of such land amount by Rs.36,50,00,000/- which has been credited to Reserve Surplus under the head Other Comprehensive Income as per the Requirement of Ind AS 16.

## **2.5 Financial Instruments**

### **2.5.1 Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise cash on hand, balance in banks (including Non-operational Bank accounts) and fixed deposits, that are readily convertible to know amounts of cash and which are subject to an insignificant risk of change in value.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

### **2.5.2 Investments**

The company has enter into Joint Venture with Ankita-Navkar-Sarjit JV by giving bank guarantee to said JV. There is no capital investment. The profit of earlier

**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

F.Y. 2018-19 of Rs. 54.33 lakhs is accounted during the year. The business of the JV is construction of infrastructure.

### **2.5.3 Trade Receivables**

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

### **2.5.4 Borrowings**

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using effective interest method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

### **2.5.5 Trade payables**

Trade payables are amounts due to vendors for purchase of goods or services and sub contracts given in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

### **2.5.6 Other financial assets and liabilities**

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

## **2.6 Leases**

### **Finance lease**

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount.

### **Land acquired on long-term leases**

The Company classifies leasehold land of GIDC (Halol) as finance lease where:

- Initial amount paid is substantially all of the fair value of land
- The company has option to purchase the land at a price that is sufficiently lower than fair value at the date option is exercisable
- Lessor has agreed to renew lease on expiry of lease term.

From the above details analysis, company concludes that a land lease is finance lease and will be presented as an item of PPE covered under Ind AS-16. The company expects to obtain ownership of the land by the end of the lease term.



**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Hence, the company has not charged any depreciation/ amortisation on such asset since the land has unlimited useful life.

### **Operating lease**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Operating lease payments are recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increases. There is no such operating lease.

### **2.7 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including overheads incurred in bringing them to their respective present location and condition. Cost of raw materials,

### **2.8 Impairment of Property Plant & Equipment:**

The company had two operating sites at Narol-Ahmedabad amounting to Rs. 27.01 lakhs and Patan Dist. Patan(Gujarat) amounting to Rs.50.93 lakhs on these rented sites the company had installed plant and machinery for preparing concrete mixture however these sites are vacated and not in possession of the company however the company had incurred capital expenses for installation of plant & machinery on these sites. Since the company had vacated these sites the capital expenditure which is attached to land for foundation of Plant & Machinery has no value therefore same has been written off as impairment of these two assets. And one office vehicle at Ahmedabad which do not exist is also written off as impairment loss amounting to Rs.0.45 lakh

### **2.9 Employee Benefit**

#### **Short term employee benefits**

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

#### **Long term employee benefits**

##### **Defined benefit plans**

Provision for gratuity liability is provided based on actuarial valuation made as at 31-03-2018. The Company has not obtained actuarial valuation at the end of the financial year and has not made provision for gratuity liability during the year under audit.

**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Defined Contribution Plan**

Defined contribution to provident fund and ESIC are by charged to the profit and loss account on accrual basis.

**2.10 Provisions, contingent liabilities and contingent assets**

**Contingent liability:**

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent liabilities are disclosed by way of Notes to Accounts.

**Contingent assets:**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

**Provisions:**

A provision is recognized when as a result of a past event, the Company has a present obligation whether legal or constructive that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**2.11 Revenue Recognition**

- a) Revenue from the contract is recognised when significant risks and rewards in respect of work of the contract are transferred to the contractee, as per the terms of the order. The company has shown separately in the expenses as the revenues from the operations are stated at gross amount as per the Requirement of Ind AS 115 “Revenue from contract with customers”. Further, the amounts collected on behalf of third parties such as government authorities for VAT, Service Tax and GST are excluded from the revenue since the same do not result in increase in Equity.
- b) Revenue from the Construction contracts is recognised on the basis of percentage of completion method as specified under Ind AS 115 issued by the Institute of the

**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Chartered Accountants of India. Accordingly the revenue is recognised after assessing the stage of completion as at the Balance Sheet date as certified by management of the company.

- c) Interest Income is recognised on time proportion basis.

### **2.12 Income taxes**

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

### **2.13 Earnings Per Share**

- a) Basic earnings per share are calculated by dividing the net profit by number of equity shares outstanding at the end of the year. The company has not issued any equity shares during the year under review..

### **2.14 Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

### **2.15 Segment Reporting**

The company has only one preliminary reportable segment i.e. construction and development of infrastructure projects (including provision of Reinforced Cement Concrete Pipes) hence there is no separate reportable segments as required in Ind AS 108 issued by ICAI.

### **2.16 Depreciation**

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale or disposal, as the case may be.

Company has not provided depreciation on following asset due to impairment of assets mentioned in point 1 above,

- i) Fixed asset-Narol of Rs.27.01 lakhs
- ii) Fixed asset-Patan of Rs.50.93 lakhs

The company has further not provided depreciation on following asset because they are not used during the whole year and some assets reached at its residual value

- i) Fixed asset-Kheda of Rs. 1649.71 lakhs
- ii) Fixed asset-Halol of Rs.3947.32 lakhs
- iii) Fixed asset-Ahmedabad of Rs.474.08 lakhs.
- iv) Fixed asset-office of Rs.1.53 lakhs due to asset reached at its residual value.

### **2.17 Foreign currency Transactions**

There is Nil foreign currency transaction during period under reporting.

### **2.18. Disclosure of Interest in other Entities:**

As per Ind AS 112 – ‘Disclosure of Interest in other Entities’, as notified by the Rules, the disclosures of transactions with the related parties as defined in the accounting standard are given below:

## **3.Related parties with whom transactions have taken place during the year**

### **a) Key management personnel**

Harsh J. Shah

**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Dakshesh R. Shah,

**b) Entities have significant influence –**

Navkar Fiscal Services Pvt. Ltd.  
Efficient Tie-up Pvt Ltd.

**C) Joint Venture-**

Ankita-navkar-Sarjit JV

**A. Disclosure of significant transactions with related parties: (Rs. In lacs) [As per the details furnished by the management]**

Type of the Transaction	Type of relationship	Name of the entity/person	Year ended March 31,	
			2020	2019
Salary	Key Managerial Personnel	Harsh J. Shah	3.36	0.00
Remuneration	Key Managerial Personnel	Dakshesh R. Shah	21.60	25.92
	Key Managerial Personnel	Ripal S Dave	0.00	2.25
Loans Accepted	Entities have significant influence	Efficient Tie-up Pvt Ltd	0.00	1.50
Loans & Advances given	Entities have significant influence	Navkar Fiscal Services Pvt. Ltd.	0.00	0.33
Loans & Advances given	Entities where KMP/RKMP has significant influence	Parshva Alluminium Co. Ltd.	0.00	0.10
Loans recovered	Entities where KMP/RKMP has significant influence	Parshva Alluminium Co. Ltd.	0.00	0.04
Loans recovered	Entities where KMP/RKMP has significant influence	Navkar Fiscal Services Pvt. Ltd.	1.83	1.83
Loans & Advances Given	Joint Venture	Ankita-Navkar-Sarjit JV	54.33	0.00
<b>Balances Outstanding as on 31.03.2020 (31.03.2019)</b>				
Loans & Advances given	Entities where KMP/RKMP has significant influence	Parshva Alluminium Co. Ltd.	76.17	76.17
Loans & Advances taken	Entities have significant influence	Efficient Tie-up Pvt Ltd	90.17	90.17
Remuneration Payable	Key Managerial Personnel	Dakshesh R. Shah	1.51	39.28
Loans & Advances given	Entities where KMP/RKMP has significant influence	Navkar Fiscal Services Pvt. Ltd.	0.00	1.83

**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**B. Disclosure as required by clause 32 of listing agreement with stock exchanges**

(Rs. In Lacs)

Type of relationship	Name	Amount outstanding as at March 31, 2020	Maximum Amount outstanding during the year
Companies in which directors are interested	Parshva Alluminium Co. Ltd.	76.17	76.17
Companies in which directors are interested	Navkar Fiscal Services Private Limited	0.00	1.83

Note:

- a) All the above balances of loans are payable on demand.
- b) No loans have been granted by the Company to any person for the purpose of investing in the shares of Navkar Builders Limited.

**4. Unclaimed dividend:**

Particulars	As at April 01,2019	Declared during the year	Distributed during the year	Unclaimed as at March 31, 2020
Final Dividend FY 2014-15	3,11,575	-	-	3,11,575
Final Dividend FY 2015-16	1,05,888	-	-	1,05,888

- 4.1.
  - a) In opinion of the management, contingent liability not provided is Rs. Nil. (Nil).
  - b) Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil (Nil).
  - c) Bank Guarantee outstanding as on 31.03.2020 is Rs. 1299.51 lacs [Against the bank guarantee the company having Fixed deposits of Rs.225.45 Lacs inclusive of accrued interest.]
  - d) As informed to us by the management that there are no any other contingent liability as as 31-03-2020 other than reported above.
- 4.2. Balances of Trade Payables, Unsecured Loans, Trade Receivables, Long Term and Short Term Loans & Advances, In-operative bank accounts, Other Current and Other Non Current Assets and Provisions are subject to the confirmation of the parties concerned. Wherever confirmation of the parties for the amounts due to them / amounts due from them as per books of accounts are not received, necessary adjustments, if any, will be made when the accounts are reconciled / settled.
- 4.3. In the absence of information regarding outstanding dues of MICRO or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act.
- 4.4. The Company is engaged in the business of infrastructure activities and not carried out any manufacturing activities during the year. The company having projects at different locations where the company supplied the materials and the project given

**NAVKAR BUILDERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

on labour cum job work basis to third parties for which the company has issued purchase orders for the same. On completion of the project the company issued the sales invoices.

**4.6.** Figures have been rounded off to the nearest rupee wherever required.

**As per our report of even date**

**For, S. V. Agrawal & Co.**  
**Chartered Accountants**  
**Firm Reg. No: 100164W**

**CA S.V. Agrawal**  
**Proprietor**  
**M.No. 030851**

**Place :- Ahmedabad**  
**Date :- July 31, 2020**  
**UDIN: 20030851AAAADD4503**

**For and on behalf of the Board of**  
**Directors of**  
**Navkar Builders Limited**

**Harsh J Shah**  
**Managing Director**  
**DIN: 01662085**

**Pinki Nirmal Sagar**  
**Director**  
**DIN: 08113318**

**Raj Shah**  
**Company Secretary**

**Place :- Ahmedabad**  
**Date :- July 31, 2020**

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**NAVKAR BUILDERS LIMITED**

Notes to the Financial Statements for the Year ended 31st March, 2020

**Note no. 5 : Propery, Plant and Equipment**

Depreciation is calculated as per WDV Method as per Companies Act,2013

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2019	Addition for the year	Transfer / Adjusted for the year/Impairment loss	As at 31.03.2020	As at 01.04.2019	Addition for the year	Transfer / Adjusted for the year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
Leasehold Land	401,786,499	2,229,106	(11,749,309)	392,266,296	-	-	-	-	392,266,296	401,786,499
Building	49,794,573	1,813,500	-	51,608,073	6,327,732	-	-	6,327,732	45,280,341	43,466,841
Plant & Machinery	166,426,196	406,245	(7,793,845)	159,038,596	62,138,198	-	-	62,138,198	96,900,398	104,287,998
Computer	943,648	-	-	943,648	888,647	-	-	888,647	55,001	55,001
Furniture & Fixtures	3,377,262	-	-	3,377,262	2,023,047	-	-	2,023,047	1,354,215	1,354,215
Vehicles	12,835,233	-	(45,300)	12,789,933	2,588,683	1,260,418	-	3,849,101	8,940,832	10,246,550
<b>Total Tangible Assets</b>	<b>635,163,411</b>	<b>4,448,851</b>	<b>(19,588,454)</b>	<b>620,023,808</b>	<b>73,966,307</b>	<b>1,260,418</b>	<b>-</b>	<b>75,226,725</b>	<b>544,797,083</b>	<b>561,197,104</b>
Capital WIP	12,697,969	-	-	12,697,969	-	-	-	-	12,697,969	12,697,969
<b>Total Capital WIP</b>	<b>12,697,969</b>	<b>-</b>	<b>-</b>	<b>12,697,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,697,969</b>	<b>12,697,969</b>
<b>Total Propery, Plant and Eq</b>	<b>647,861,380</b>	<b>4,448,851</b>	<b>(19,588,454)</b>	<b>632,721,777</b>	<b>73,966,307</b>	<b>1,260,418</b>	<b>-</b>	<b>75,226,725</b>	<b>557,495,052</b>	<b>573,895,073</b>
										-



**NAVKAR BUILDERS LIMITED**  
Notes to the Financial Statements for the Year ended 31st March, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NON CURRENT ASSETS</b>		
<b>FINANCIAL ASSET</b>		
6 INVESTMENTS	5,432,946.88	-
<b>Total</b>	<b>5,432,947</b>	<b>-</b>
<b>NON CURRENT ASSETS</b>		
<b>FINANCIAL ASSET</b>		
7 LONG TERM LOANS AND ADVANCES		
Security Deposits	5,823,809.00	5,923,809
Deferred Revenue Expenditure	1,822,500.00	0
<b>Total</b>	<b>7,646,309</b>	<b>5,923,809</b>
<b>CURRENT ASSETS</b>		
8 INVENTORIES (As taken, valued and certified by management)		
Raw Material	10,632,044.37	10,387,488
Finished Goods	7,725,153.40	12,707,007
Work in Progress	166,337,000.00	165,879,760
<b>Total</b>	<b>184,694,198</b>	<b>128,974,255</b>
<b>CURRENT ASSETS</b>		
<b>FINANCIAL ASSET</b>		
9 TRADE RECEIVABLES (Unsecured considered good)		
Over Six Months	170,785,627.93	
Others	185,339,439.86	627,065,940
<b>Total</b>	<b>356,025,068</b>	<b>627,065,940</b>
<b>CURRENT ASSETS</b>		
<b>FINANCIAL ASSET</b>		
10 CASH AND CASH EQUIVALENT		
Cash on Hand	4,367,360.24	1,808,317
Balance with Scheduled Banks		
a. in Current Accounts	1,179,194.29	108,911,655
b. in Term Deposit Accounts	22,545,374.00	20,025,466
<b>Total</b>	<b>28,091,929</b>	<b>130,745,438</b>
<b>CURRENT ASSETS</b>		
<b>FINANCIAL ASSET</b>		
11 LOANS AND ADVANCES		
Loans and Advances (Unsecured, Considered good)	24,742,728.00	16,013,407
Retention Money Receivable	1,346,502.00	33,952,403
Input Credit of Indirect Taxes	21,348,355.80	-
MAT Credit Entitlement	330,380.00	330,380
Advance Taxes	16,115,574.88	41,031,055
Advances to Creditors for goods / Expenses	270,249,187.84	386,695,070
<b>Total</b>	<b>334,112,729</b>	<b>478,022,315</b>
<b>Total</b>	<b>334,112,729</b>	<b>478,022,315</b>
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
13 OTHER EQUITY		
Share Application money pending for allotment	2,147,500	2,147,500
Reserves & surplus		
Retained Earnings	180,496,172	176,596,487
General reserves	275,000	275,000
Capital Reserves	4,611,500	4,611,500
Security Premium	27,827,500	27,827,500
	212,410,172	208,510,487
Reserves Representing Unrealised gains/(loss)		
Equity instruments through other comprehensive income	207,351	207,351
Revaluation Reserves	365,000,000	365,000,000
	365,207,351	365,207,351
<b>Total</b>	<b>579,765,025</b>	<b>575,865,338</b>
<b>Non Current Liabilities</b>		
<b>Financial Liabilities</b>		
14 Borrowings		
14.1 Secured Loans		
Vehicle Loans (Refer note no. 14.2)	5,510,558.47	6,154,291
14.2 Vehicle Loans from Bank		
Vehicle Loans of Long Term Borrowings are secured against respective vehicles under the Hire Purchase Contract.		
Principal repayable in monthly equated installments. Applicable rate of interest is 12% p.a.		
14.3 Unsecured Loans		
From Related parties	9,017,000.00	9,017,000
Inter Corporate Deposit	-	-
<b>Total</b>	<b>14,527,558</b>	<b>15,171,291</b>
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
15 Deferred Tax Liabilities		
For the Timing Differences in Depreciation		
Opening Balance	20,092,001.00	21,364,916
(+ /-) Deferred tax Expense/Income	63,977.00	1,272,915
Closing Balance	20,155,978.00	20,092,001
<b>Total</b>	<b>20,155,978</b>	<b>20,092,001</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
16 BORROWINGS		
Secured		
Cash Credit with Banks (Note no. 16.1)	109,881,789.37	84,402,307
<b>Total</b>	<b>109,881,789</b>	<b>84,402,307</b>
<b>Nature of Security:</b>		
Cash Credit with Union Bank of India are secured by hypothecation of present and future stock and book debts of company. The said limit is further secured by mortgage of Unit No. 304, Circle-P, Ahmedabad owned by M/s. Parslva Aluminium Co. Pvt. Ltd. Open plot of land AO-02 & AO-03 Suranya - VII Ta. - Kaloj owned by Mr. Dakshesh R. Shah & Plot No. 4, Phase - III, GDC Haldol, Admesuring area 49168.08 Sq. Mtr. owned by the Company ( Lease hold Land on 99 yrs lease allotted by GDC). Moreover hypothecation of P&M of the company. Personal Guarantee of three directors, and Corporate Guarantee of Navkar Fiscal Services Pvt. Ltd. & Parslva Aluminium Co. Pvt. Ltd.		
Interest is payable on Monthly Basis. Applicable Rate of Interest is B.R. + 4.65% p.a.		
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
17 TRADE PAYABLES		
Micro, Small and Medium Enterprise (Refer note no. 17.1)	411,944,561.55	926,997,617
Others	-	-
<b>Total</b>	<b>411,944,562</b>	<b>926,997,617</b>
Under the Micro, Small & Medium enterprise development act, 2006, certain disclosures are required to be made relating to Micro & small enterprise. The company is in the process of compiling relevant information from its supplier about their coverage under the said act.		
17.1 Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of the this act is not expected to be material. This has been relied upon by the auditors.		
18 SHORT TERM PROVISION		
Provision for Tax	5,530,000.00	29,442,910
Proposed Dividend	-	3,976,760
Corporate Dividend Tax	-	795,352
<b>Total</b>	<b>5,530,000</b>	<b>34,215,022</b>
19 OTHER CURRENT LIABILITIES		
Interest Accrued but not due	-	-
Unclaimed Dividend	417,462.50	417,462
Current Maturities of long term borrowings	-	-
Creditors for Capital Expenditure	14,789,261.04	16,280
Statutory Dues Payable	703,577.81	11,788,091
Employees Liabilities	1,371,390.00	4,064,099
Other Payables	23,910,859.00	7,627,948
Retention Money Payable	92,662,566.00	46,677,258
Advance received from Customers	18,503,505	18,503,505
<b>Total</b>	<b>132,855,216</b>	<b>89,045,254</b>

**Navkar Builders Limited**

Notes to the Financial Statements for the Year ended 31st March, 2020

A.

Note No.	Particulars		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
12	<b>Share Capital</b>			
	<b>Authorised share capital :-</b> 2,20,00,000 Equity Shares of Rs. 10 each		220,000,000	220,000,000
			<b>220,000,000</b>	<b>220,000,000</b>
	<b>Issued Share Capital:-</b> 2,08,06,100 Equity shares of Rs. 10 each		208,061,000	208,061,000
	<b>Issued, Subscribed &amp; Paid-up Share Capital:-</b> 1,98,83,800 Equity Shares of Rs. 10 each fully paid up		198,838,000	198,838,000
			<b>198,838,000</b>	<b>198,838,000</b>

**12.1 List of Share Holders having more than 5% holding**

Sr. No.	Name of Shareholder	As at 31 March, 2020		As at 31 March, 2019		As at 31 March, 2018	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Navkar Fiscal Services (P) Ltd	5,809,450	29.22%	5,809,450	29.22%	5,809,450	29.22%
2	Efficient Tie-up Private Limited	3,925,000	19.74%	3,925,000	19.74%	3,925,000	19.74%
3	Daksheshbhai R Shah	1,161,250	5.84%	1,161,250	5.84%	1,161,250	5.84%
4	Yogesh B Parikh	925,000	4.65%	925,000	4.65%	925,000	4.65%

**12.2 The Reconciliation of the number of shares outstanding is set out below :**

Particulars		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance as at the beginning of the year		19,883,800	19,883,800
Issued during the year		-	-
<b>Balance as at the end of the year</b>		<b>19,883,800</b>	<b>19,883,800</b>

**12.3 Terms and Rights attached to equity Shares**

The company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company has not declare dividend for the year FY 2019-20.

**12.4** The company has not issued any Right/ Bonus shares during any preceding year.

**NAV KAR BUILDERS LIMITED**

Notes to the Financial Statements for the Year ended 31st March, 2020

Particulars	For the year ending on March 31,2020	For the year ending on March 31,2019
<b>20 REVENUE FROM OPERATIONS</b>		
Sale of Products	430,823,825.80	1,440,211,573
Sale of Services	13,736,216.00	108,007,389
<b>Total</b>	<b>444,560,042</b>	<b>1,548,218,962</b>
<b>21 OTHER INCOME</b>		
Interest	1,961,462.00	7,743,968
Misc. Income	11,898,860.49	260,885
<b>Total</b>	<b>13,860,322</b>	<b>8,004,853</b>
<b>22 COST OF RAW MATERIAL CONSUMED INCLUDING LABOUR CHARGES</b>		
Opening Stock of Raw Material	10,387,488.00	10,845,119
Add : Purchases	467,216,851.90	1,456,479,409
Less : Closing Stock of Raw Material	10,632,044.37	10,387,488
<b>Raw Material consumed during the year (A)</b>	<b>466,972,296</b>	<b>1,456,937,040</b>
<b>Total</b>	<b>466,972,296</b>	<b>1,456,937,040</b>
<b>23 PURCHASE OF STOCK IN TRADE</b>		
Purchase of Stock in Trade	0	0
<b>Total</b>	<b>-</b>	<b>-</b>
<b>24 CHANGES IN INVENTORIES, WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>Opening Stock</b>		
Finished goods	12,707,006.90	13,491,306
Work in Progress	105,879,760.00	81,769,776
	118,586,766.90	95,261,082
<b>Less : Closing Stock</b>		
Finished Goods	7,725,153.40	12,707,007
Work in Progress	166,337,000.00	105,879,760
	174,062,153	118,586,767
<b>Total</b>	<b>(55,475,387)</b>	<b>(23,325,685)</b>
<b>25 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages, Allowances and Bonus (Refer Note 25.1)	4,285,667.00	3,512,394
Staff Welfare Expenses	20,430.00	-
Provident Fund & ESIC	83,577.00	74,735
<b>Total</b>	<b>4,389,674</b>	<b>3,587,129</b>
25.1 Salaries includes Director Remuneration amounting to Rs.21,60,000/- (PY Rs.2817000/-)		
<b>26 FINANCE COST</b>		
Interest Exp	14,579,452.00	12,665,533
Other Borrowing Costs (Refer Note 26.1)	3,412,307.06	3,294,110
<b>Total</b>	<b>17,991,759</b>	<b>15,959,643</b>
26.1 her Borrowing cost includes Interest of Rs. 76660 paid on late payment of TDS		
<b>27 OTHER EXP</b>		
<b>[A] Operating Expenses</b>		
Work Contract Charges	-	-
Labour Charges	137,660.00	8,932,134
Electric Power, Fuel	363,318.85	358,222
Freight Inward, Loading and unloading charges	-	-
Repairs & Maint. Exp	45,392.50	23,182
	546,371	9,313,538
<b>[B] Sales &amp; Distribution Expenses</b>		
Advertisement and Sales Promotion	561938.4	205,889
Freight Outward	-	-
Commission Exp	-	550,000
	561,938	755,889
<b>[C] General &amp; Admin Expenses</b>		
Rent	-	1,584,000
Rates and Taxes	362,562.00	937,321
Communication Expenses	86,322.00	114,576
Payment to Auditors	350,000.00	200,000
Legal and Professional Expenses	358,030.00	854,494
Printing and Stationary Expenses	15,303.00	-
Insurance	122,740.00	408,445
Travelling Expenses	388,644.81	70,910
Other Office & Administrative Expenses	658,773.17	1,179,878
Listing Processing Fees	300,000.00	250,000
Portal Charges	5,020.00	-
Condonation fees for Export obligation	954,203.04	-
BSE Late filing fees	719,000.00	-
Bad Debts	41,568.00	-
Royalty Expense	450,000.00	-
	4,812,166	5,599,624
<b>Total</b>	<b>5,920,476</b>	<b>15,669,051</b>
<b>27.1 PAYMENT TO AUDITORS :</b>		
Statutory Audit Fees	350,000.00	200,000
Tax Audit Fees	-	-
<b>Total</b>	<b>350,000</b>	<b>200,000</b>

**Navkar Builders Limited**

304, Circle P, Near Prahladnagar,

S.G.Highway,Ahmedabad-380051 Phone:079-40064095

CIN : L45200GJ1992PLC017761

Email : [navkarbuilders@yahoo.co.in](mailto:navkarbuilders@yahoo.co.in)

Website : [www.navkarbuilders.com](http://www.navkarbuilders.com)

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronics holding with the Depository through their concerned Depository Participants.

**NAVKAR BUILDERS LIMITED**

**CIN: L45200GJ1992PLC017761**

**Address: 304, Circle P, near Prahlad Nagar, S.G. Highway, Ahmedabad – 380051**

**Tel No.: 079-48484095, Email ID: [navkarbuilders@yahoo.co.in](mailto:navkarbuilders@yahoo.co.in)**

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**ATTENDANCE SLIP**

**ANNUAL GENERAL MEETING– 28<sup>TH</sup> DECEMBER, 2020 AT 12:00 Noon**

<b>DP Id.</b>		<b>Client Id. / Ben. A/c.</b>	
<b>Folio No.</b>		<b>No. of Shares</b>	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on 28<sup>th</sup> December, 2020 at **12:00 Noon** at 304, Circle P, near Prahlad Nagar, S.G. Highway, Ahmedabad – 380051.

\_\_\_\_\_

Full Name of the Shareholder / Proxy (In Block Letter)

Signature

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**Form No. SH-13**

**Nomination Form [Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]**

**To**  
**Navkar Builders Limited,**  
**304, Circle P, Near Prahladnagar,**  
**S.G. Highway, Ahmedabad - 380051.**

I/We ..... the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) Particulars of the securities (in respect of which nomination is being made)

<b>Nature of Securities</b>	<b>Folio No.</b>	<b>No. of Securities</b>	<b>Certificate No.</b>	<b>Distinctive No</b>

(2) Particulars of nominee/s-

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

(3) In case nominee is a minor-

- (a) Date of birth:
- (b) Date of attaining majority
- (c) Name of guardian:
- (d) Address of guardian:

**Name:**  
**Address:**  
**Name of the Security Holder (s)**

**Signature Witness with name and address**

## ROUTE MAP FOR THE VENUE OF AGM

